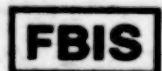


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No. 2101



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INTER-AMERICAN AFFAIRS

PAPER FOCUSES ON URUGUAY'S ROLE IN ARGENTINE-BRAZILIAN RELATIONS

Uruguayan Role a Must

Montevideo EL DIA in Spanish 27 Dec 79 p 8

[Editorial: "Uruguay Must Be There"]

[Text] We have editorialized about what the current energetic process of rapprochement between Brazil and Argentina means to Latin America, and basically the southern part of South America.

We have also said, and we repeat here, that Uruguay ought to monitor very closely the multiplicity of daily developments pointing in that direction, because this rapprochement and strengthening of ties are unquestionably going to decisively influence the future of the River Plate Basin and of our country more than any other in the region.

To give an example of how things stand, let's say that the Brazilians proposed to the Argentines (according to reports in the Buenos Aires press) that they jointly develop the Urucum iron and manganese deposits in Mato Grosso through bilateral enterprises. The Brazilian iron ore would then be processed in Argentina. Argentina would have a minority share in the extracting enterprise, and Brazil would be the junior partner in the industry.

The plan or proposal does not stop there. They would build ships to transport Brazilian iron and Argentine wheat to the Near East and to bring back oil for Brazil. In other words, in addition to securing domestic development and integration and winning markets, they are going to save freight charges and the foreign exchange needed to pay them.

We understand why all of this is being done on a bilateral basis and, moreover, we would have no right to oppose such a move, but if diplomacy has any use, it is precisely to handle this sort of thing. Our embassies in Rio de Janeiro and Buenos Aires should not only furnish detailed reports (they have no doubt done so) but should also

find a way to prevent Uruguay from remaining on the sidelines. We will one day see tourism agreements, preferential tariffs and energy contracts signed as part of this brisk-paced integration. And we will be on the outside. With regard to oil, Brazil, which needs it as badly as Uruguay, has already set itself up as a potential buyer of the exportable surplus that Argentina could have within a few years, and it has done the same with Venezuela, Mexico and everywhere else.

We do not know whether Uruguay has made a similar move. But we feel that we must strive with every means at our disposal for a multilateral approach to any integration process and see to it that all of this is discussed and brought about within the scope of regional organizations (such as the Plate Basin group).

Argentine Rice to Brazil

Montevideo EL DIA in Spanish 28 Dec 79 p 6

[Editorial: "Argentine Rice to Brazil"]

[Text] We have been referring every day recently to the strengthening of relations of all sorts between Brazil and Argentina and we have pointed out two things that we regard as essential. First, we must look with approval upon what is ultimately a drive toward integration that will have a positive impact on Latin America's future. Second, it is urgently necessary for us Uruguayans not to remain outside this rapprochement.

We would like to add another example, relating to Argentine rice sales to Brazil, to the ones that we have already furnished. The increase in sales has been such that Argentine Railways has had to come out and explain a number of irregularities to the Federation of Argentine Rice Cooperatives, irregularities that involve transportation difficulties. The aforementioned group points out that trade between the two countries has prompted a 150 percent rise in shipments and that the volume of rice alone has increased to 1,324 freight cars.

Transshipments are required in Uruguayana because of differences in track gauge, and the report attributes the difficulties that have been experienced to the saturation of the transshipment services to northern railways.

Specific examples obviously illustrate things better than the cold figures of percents and statistics. Owing to complementing factors (even in climate) and the considerable savings in freight charges, the most intelligent policy for the Brazilian market is clearly to seek supplies in the Americas.

Yesterday we were talking about a proposal for the joint development of Brazilian iron by bilateral enterprises that would process it in Argentina and export it on jointly-owned vessels. We are now adding this example of rice sales. We underscore that Uruguay must in some way enter this process of new and fruitful mutual relations.

8743

CSO: 3010

FIRMENICH SPEAKS OF A PEOPLE'S COUNTEROFFENSIVE AGAINST REGIME

Maputo TEMPO in Portuguese No 477, 2 Dec 79, and No 478, 9 Dec 79

[Two-part interview with Comdr Mario Firmenich, first secretary of the Montonero Party and secretary general of the Peronist Montonero Movement, in September 1979; place not given]

[2 Dec 79, No 477, pp 35-39]

[Text] Comdr Mario Firmenich, first secretary of the Montonero Party and secretary general of the Peronist Montonero Movement, granted us an interview of which we are publishing a summary. Exclusively for the magazine TEMPO, the revolutionary leader analyzed the situation that prevails in his country, which fits particularly into the context of the battle being waged by the other peoples on the Latin American continent; and he also discussed its relationship with the Third World nations as a whole. This text documents the vanguard political ideology of the working class in Argentina.

[Question] We are witnessing the presence of an atmosphere of a people's counteroffensive in Argentina today. What has made this movement possible?

[Answer] We consider the period of resistance which exhausted the enemy's offensive as dating to the time of the coup d'etat and, to cite a date, 27 April 1979, a time when the first general strike took place after the establishment of the military dictatorship. Why do we say that the dictatorship's offensive is exhausted? Why do we say that the people may undertake a counteroffensive? The military dictatorship has several economic and political objectives, and the military strategy for guaranteeing them. As of 27 April, it had not fulfilled them, and lacked the military strength to continue trying to do so for very long.

What are these objectives? From an economic standpoint, there is a plan aimed at making a deepseated change in the format of the Argentine society, consisting of putting an end to industrial development, terminating the state's extensive participation in the economy and, as part of an

international division of labor, converting our country into a large producer of manufactured foodstuffs. This plan, which the dictatorship calls agro-industrial, consists of incorporating technology from multinational capitalists to serve agricultural production concentrated in these multinationals.

From a political standpoint, this entails doing away with the two major sectors which comprise what we term the "camp of the nation," that is, the workers' movement in an alliance with the popular sectors and the industrial sectors. Politically speaking, this would mean, basically, destroying Peronism as a reflection of the workers' movement and of the other sectors of the people, and the political parties as a reflection of various movements among the Argentine bourgeoisie. Upon the death of General Peron, the dictatorship thought that the destruction of Peronism would be possible, inasmuch as this movement was apparently without a leader, something which had already caused a split in it. Added to this was the inability of the political parties of the various bourgeois factions to surmount this situation by themselves.

The military strategy regarded as necessary for this was: 1. The military destruction of the vanguard within the labor movement, which might become a vanguard of the entire mass movement, which was basically the Montoneros; 2. to destroy, incidentally, other leftist forces which had organized structures at the time; and, 3. to militarily destroy the organized labor movement. What in this organized labor movement had to be destroyed? Not only its legal and union structures (the trade unions, the General Labor Confederation and all its echelons), but the real power of the organized workers' movement which lies in the primary cell of its organization, namely, the factory internal committees. The real power of the Argentine labor movement, and of the Peronist labor movement, lies in the structure of the groups of internal delegates in each factory, a structure consisting of nearly 100,000 delegates throughout the entire country. This is why the policy of kidnappings carried out by the dictatorship was, in terms of quantity, concentrated on the delegates from factories, of whom it is estimated about 10,000 were abducted. These kidnappings, in addition to the military intervention in the trade union structures and the despicable war unleashed against the revolutionary organizations, were aimed, as a whole, at eliminating the capacity for struggle of this labor movement, so as to make possible the economic plan of dismantling industry, affecting both private industry and the state's industry.

[Question] And what was the result of this policy?

[Answer] From an economic standpoint, its results were not satisfactory for meeting the needs of the dictatorship. The inflation rate which has been continuing in Argentina (170 percent per year) after 3 years of monetarist policy is the result of the strength of the class struggle, which forced constant concessions from the economic policy that diverted it from its

goals. These concessions are evident in the policy on income and the policy on prices, which precluded reducing the inflation rate. All this has come to symbolize the impossibility of imposing this economic plan. From an economic and social standpoint, in Argentina the state is the leading employer. In 1976, nearly 1.8 million people, including employees and workers, were directly dependent on it. It was necessary to dismiss at least 500,000 of these workers. However, the state did not succeed in laying off over 100,000. And this proved impossible because, every time the layoff plan went into effect, the resistance from the labor movement arose, and it has not been curtailed with the policy of kidnappings, nor with indiscriminate repression, and so it has forced concessions in economic policy.

[Question] On what bases were these measures first established?

[Answer] When the dictatorship began to implement this policy, we might say that the international situation that existed favored it. This was due largely to the discreditation of the government of Isabel Peron (from July 1974 to March 1976) on both the national and the international level; accompanied by a general lack of understanding in the world concerning the nature of Peronism. Added to the erroneous idea that Peronism was a fascist movement, and the realistic notion that this regime was out of control and immoderate, in the eyes of the world the overthrow of this government appeared to be a "progressive" action. In other words, the world that was being imposed in Argentina was a dictatorship with fascist procedures and truly reactionary objectives with respect to the development of the productive forces for our country.

[Question] Concretely, how has the dictatorship arranged for the military destruction of the revolutionary organizations?

[Answer] The doctrine followed by the dictatorship was a synthesis of what was used in the urban struggle during the war in Algeria by the French troops, with the doctrine taken from the book by the North American military man, McQueen, entitled "The Art of Counterrevolutionary Warfare," and from the experience in Indochina. In other words, the action was based on the notion that it was possible to destroy and break up the clandestine apparatuses of the revolutionary organizations through the kidnapping of militants on all levels, and brutal torture over an unlimited period of time. In view of the fact that the militant was not a prisoner, but rather a missing person, any type of action was possible, because the regime was not directly implicated in the repression. In so doing, the dictatorship started with erroneous grounds, with a kind of divided or parallel warfare against the mass movements and against the clandestine apparatuses.

Those clandestine apparatuses which lacked involvement with the real masses were actually dismantled. We ourselves were hard hit, and part of our apparatus was actually broken up, and this structure was incorporated on the mass level as a means of carrying out the resistance. Simply because of this incorporation with the masses, our structure cannot be destroyed.

Despite the incidental failures and successes, from a strategic standpoint we propose to maintain and lead the resistance until the conditions are present for the mass movement to recover from the initial blow, and the resistance to become massive. This massification of the resistance has necessarily been a massification of the labor union resistance, since the people's movement in Argentina, unlike that in most of the underdeveloped countries, has a numerical majority of workers, owing to its industrial development.

In fact, the economic features of Argentina are: 80 percent urban population, and 7.5 million wage-earners out of 10 million of the economically active population. In other words, the labor movement as such constitutes the numerical majority of our people. It is not only a vanguard sector for ideological reasons, but it is a social vanguard numerically as well. This is why the people's resistance should be and has essentially been a trade union resistance; and even our armed resistance has been concentrated on backing the trade union resistance.

We are not embarking on an overt war against the military apparatus of the enemy, because we have no chance of winning. Our armed structures are urban and clandestine; they lack territory, and hence they lack an opportunity of forming large units. All their logistics are exposed to police control of the territory on the part of the enemy. Therefore, all of our propaganda, political and military action is concentrated on backing each and every manifestation of trade union resistance. All of our resistance has been based on backing the massification of trade union resistance, because the political and military weight of the labor movement, so to speak, prevents the enemy's entire military apparatus from imposing its superiority.

Some reports from imperialist agencies and intelligence services consider the power of the labor movement and the power of the armed forces in Argentina to be equivalent. This equivalence of power is what has historically caused the political instability in the country. The armed forces could never destroy the labor movement, nor could the working class manage to destroy the armed forces as a tool of the ruling classes. This is the origin of Argentine political instability and of the consecutive failure of plans, both antipopular and popular. This situation has lasted for decades.

[Question] What is the outlook for the present strategy of the military dictatorship?

[Answer] The development of the economic crisis in international capitalism, the worldwide understanding of the real situation in Argentina and the change of policy by the imperialists themselves have limited the possibilities, in time, for the Argentine dictatorship to continue this strategy indefinitely with a view toward insuring the fulfillment of its goals.

The ruling classes planned the time that they needed, they planned the dismantling of the revolutionary and trade union structures as an initial blow, in 9 months, after the coup d'etat which took place in March 1976. During 1977, every vestige of the people's organized force was to have been eradicated so that, by 1978, their economic plan could be imposed without difficulty. They realized that, if they delayed any longer, the resistance would become massive, and the international conditions of impunity would disappear. Now this happened without their attaining their goal. This is why we say that the enemy's offensive has been exhausted without fulfilling its objectives. They have not been attained in the economic, social or political areas, because Peronism, far from having disappeared, has become re-activated and reunified around the massification of trade union resistance; and our organization, which did not disappear under the repression, is growing politically as a vanguard. These are the present conditions.

As a result of this, we claim that proceeding toward a counteroffensive is not only a possibility but a necessity; because if we continue the resistance indefinitely, we would be giving the enemy time which it lost, to gradually pursue its economic and social goals. Over the long term, if we allowed this government to last for 10 years, while resisting, during that interval it would succeed in dismissing 500,000 state employees, dismantling the national industries, concentrating agricultural and livestock capital and destroying the state apparatus as a whole from an economic standpoint; and, finally, it would force no less than 2 million inhabitants to emigrate from the country. This is what it wants, because this is the surplus population for the new plan; and in this way the social format would be changed, and revolution would not be possible, because it would be impossible under any circumstances. It is possible with a certain social format. If this social format is changed, the revolutionary conditions may disappear. And this is what the enemy wants. This is why we claim that, in addition to being a possibility as a result of the depletion of the dictatorship's available time, the counteroffensive is a necessity for turning this massive resistance into a force which can directly thwart and defeat the plan for the reactionary modification of the social format.

[Question] In this case, which social sectors could destabilize the regime?

[Answer] This counteroffensive is both necessary and possible, mainly through the labor movement. And we state once again that this is so not only for an ideological reason, but for a politico-social reason as well. And it is both necessary and possible for the working class, because this is the only class which, if the counteroffensive does not occur, will be broken up and forced to emigrate, left without a source of employment. And it is also the only class which can concentrate its social power together with political and military power, taking to the streets and mobilizing. This is something that the petite bourgeoisie cannot do, regardless of how impoverished and proletarianized it may become, or even forced to emigrate; because the businessmen and lawyers have no way of concentrating on the struggle.

The workers are naturally concentrated by the thousands in the large factories. For example, a major railroad strike would preclude any development of the economic policy under certain conditions, while a strike of pharmaceutical workers would not preclude anything.

[Question] From the standpoint of the tactics for the struggle, what does moving from resistance to counteroffensive entail?

[Answer] It means that, with resistance, production was boycotted; whereas, with a counteroffensive, we must take to the streets to destabilize the enemy's political plan. For this reason, we consider the general strike of 27 April 1979 to be the starting point of this process. The unification of the struggle is already in evidence, either partially or on the basis of unions; but, for the first time, there has been success on the national level in uniting this strike movement with the struggles of different unions in various sections of the country. Because it lacked a legal trade union apparatus, the strike was not 100 percent successful. However, it unquestionably proved that, through the desire to combine the struggles, without any contact among each other and without organizational control of the entities which launched the strike, 2.5 million workers in the country stopped working, simply because they had read about the possibility of a general strike in the newspapers. This is the first step.

From the standpoint of our forces, it also entails a complete restructuring of our forces themselves, organized on the basis of a political, organizational and even military framework for these union forces; and, finally, on the basis of a strategy for the workers' insurrection. This possibility is nothing new for Argentina. Up until now, there has not been an armed insurrection of the workers in our country, but, on the other hand, there have been unarmed and semi-armed workers' insurrections since 17 October 1945. (1) The most internationally renowned one was the "Cordobazo" [revolt in Cordoba]. (2) This "Cordobazo" which has now marked its tenth anniversary was the insurrectional experiment immediately preceding the workers' movement for the reorientation of the counteroffensive struggles of the present time. This insurrection, this "Cordobazo," is aimed at the present time at an "Argentinazo." A people's uprising mobilized on the basis of the labor union struggle, on the national level, and in accordance with our experience and our obligation as a vanguard, must also be an armed insurrection. This holds true insofar as the present time is concerned.

[Question] How would this counteroffensive begin?

[Answer] As I said before, the counteroffensive is based on the labor movement, it is based on its mobilization. It is a general strike which begins it. The rest of the popular sectors, the natural allies of the labor movement, would join, support and follow the workers' mobilization. Its initiation, if we want to imagine it, is possible only as a serious, major insurrection beginning with a general strike or a mobilization of the workers

in the streets who are not yet in a general strike. It might possibly begin in a single factory....

[Question] What is the difference between the Montonero Party and the Peronist Montonero Movement?

[Answer] We have two great axes for this division of sectors: one social, and another related to political consciousness. If we take the social axis, we clearly observe the difference when we consider other social sectors. For example, in the northeastern part of Argentina, where the peasantry rather than the working class predominates, the mobilization and struggle would be essentially peasant in nature. One of the departments of the Peronist Montonero Movement (the agrarian branch) is devoted to this sector. These popular sectors, such as the peasantry, are not sectors which should be included in the party. The Montonero Party is an organization the class essence of which is that of the workers. This is why the other popular sectors are included in the Peronist Montonero Movement. And still others are included in the Peronist movement as a whole. There are still peasant sectors which are not even Peronist, but which would be included in a kind of movement that is even more extensive and popular.

Another axis that we might take is that based on political consciousness. Not all the Argentine labor movement is Montonero. There are sectors which relate to other Peronist lines. So, there are sectors of the labor movement which would not be directly identified with the Montonero Party or the Peronist Montonero Movement, but rather with other sectors of Peronism. Hence our proposal to reunify the Peronist movement. The people as a whole must progress, not only the popular sectors that are identified with the Montoneros. At the present time, we are developing the policy of Peronist reunification, the optimal level of which will have organic features, but its immediate level lies in what we term "unity in action;" a unity in action with other sectors of Peronism which agree with the proposal for action.

[9 Dec 79, No 478, pp 41-45]

[Text] [Question] The Montonero Party brought something new, if we can call it that, from the standpoint of the way in which the armed struggle fits into the popular movement as a whole. Why did this realization occur? Why did this notion occur? At the present time, what role do armed activities have in the people's counteroffensive?

[Answer] This notion first occurred a long time ago, and is the result of an entire history of 150 years. The name Montoneros is that of the rural people's leaders of the last century, who fought first against Spanish colonialism and later in civil wars against the mercantile bourgeoisie. They were a means of expression of a class struggle and a civil war between the plan for independent national development and the development of dependent agrarian capitalism, which finally prevailed.

If we consider the recent period from the time of Peronism onward, we find that the unique features of the Argentine process include the emergence of the mass movement before the vanguard. The mass movement, which on the basis of its social composition and its political causes was and is a national liberation movement, came into existence in 1945. And, in 1970, there appeared what was to become converted into a vanguard of this movement. And why did it occur to us, about 1967, to engage in the Peronist armed struggle; and why did it prove fruitful politically in 1970? Because the period from 1955 to 1970 comprised 15 years of disappointments, trade union and electoral battles and popular military coups, wherein the generals of the popular coups were shot, and the mobilized people were bombed. During this period, Peronism was banned from the elections, and elections were nullified after being held, as was the case in 1962. Finally, a entire series of experiences took place, which was later known as the crisis in the transformation of Peronism. Also during this interval, the reformist proposals to change the situation were exhausted and, naturally, the revolutionary proposals were being developed within the Peronist movement. This means that all other alternatives were exhausted, and the strategy for power was not totally and clearly determined at that time, and it was not clear to us that it was necessary to develop a new method of struggle, namely, the armed struggle in an organized, systematic manner, together with the labor movement and with the mass movement, combining the entire history of the people's struggles for national independence, the final goal of which is, in the long run, socialism.

This is how the process originated in the internal dialectics of the popular movement, in its own experience with struggles and failures, which created the need for a new strategy for power. In short, this is 150 years of history, 150 years of struggle, 150 years of civil war, wherein the people's camp was systematically defeated.

Beyond the historical reasons for Peronism, there is an historical reason involving the entire national history, of a country which moved from colonialism to neocolonialism without a solution of continuity, which did not consolidate its national independence and in which the struggle for national emancipation was transferred to a struggle for social emancipation, likewise without a solution of continuity.

As for the present armed actions, they exist in different types. The counteroffensive is essentially one of union mobilization; the armed and paramilitary actions are based on this. There is under way at present a phase of political agitation in the trade unions, through a militarized structure whose mission it is to constantly interfere with the television channels in the large urban centers, mainly in the Greater Buenos Aires industrial belt. And what is the reason for this? Because the deficits that the workers' movement has now, in the present situation, because of its lack of organization, include that of information and coordination of its struggles. Besides, the real, major political deficit lies in the

fact that it still lacks a single leadership for the entire mass movement capable of giving it the guidelines that will interpret these sentiments, so that then the masses may act in accordance with them.

Inasmuch as there is no chance of a legal press in Argentina (at least for us), and it is difficult for the clandestine written press to acquire a massive status, we have opted for the mass media used clandestinely. This practice of interfering in the TV broadcasts, sets for which are in 90 percent of Argentine homes, must necessarily be militarized; because the mere accomplishment thereof means that the enemy will try to destroy the facilities transmitting them. Thus, we have produced a special militarized structure which we call "Special Agitation Troops," whose mission at present consists of covering the entire large Buenos Aires industrial belt, in addition to other towns, enabling us to reach the masses with our communiques, and allowing the masses to carry out directives even when there is no organized coordination of them. Simultaneously with this, we are supporting the measures of the union struggle that the legal entities which exist more or less, or which have some legal framework for operating, may order on the grounds of unity of action.

On the other hand, there are two military requirements: One is to strike at the critical points of the enemy, which is something that only specially trained troops can do. The second is the need to militarize the union mobilization; because the military blow must come from the factory itself, in its own struggle. In other words, workers' militias must be developed, which is the only means of forming an insurrectional army in the future; since there will be no army in liberated areas, and there will be no regular army units as they are known in the anticolonial wars, or, generally, in wars with an essentially peasant base, because the theater of operations is urban, and will remain under the police control of the dictatorship until the final day. The people's army, capable of overthrowing the dictatorship, must be created from within the factories, using the method of militarization of the union mobilization. Generally speaking, this is what we are doing at present. (3)

[Question] What are the main lines of the Montoneros in the area of foreign policy?

[Answer] Both internally and externally, we are attempting to prevent an orderly withdrawal of the dictatorship, which has two options: either to choose to remain or to withdraw. We make this claim because we have had enough experience in Argentine history with dictatorships which decide to withdraw, while retaining their military capacity for a counter-coup later. This is possible if the withdrawal is orderly, and if the enemy succeeds in leaving the scene while maintaining cohesion and a centralized command of its forces, in particular, the political cohesion of its forces.

Both in the internal and the international area, we are attempting to prevent the enemy from withdrawing in an orderly fashion. There is a struggle

among the members of the enemy forces, between the line that wants to remain and the one that opts to withdraw. The former, known as the "hard line," or "right wing," of the enemy, would produce conditions leading to an advancement of the people that would perhaps take more time, but it would result in a more intensive popular insurrection, and a more violent downfall. The latter would attempt to avoid this situation, it would attempt to avoid remaining in the situation of the Shah of Iran or Somoza. It would withdraw to prevent this break, this final disintegration of the armed forces in direct confrontation with the mobilized popular masses.

We want the line of withdrawal to prevail, and we think that it will; and we are trying to make this occur in a manner that is not orderly, so that it will not have a political capacity and cohesion of the centralized commands for a counter-coup later. And this holds true in the international realm also. Hence, our proposal in the international area entails tightening the fence around the dictatorship, surrounding the dictatorship and passing judgment on the dictatorship. Not denouncing it, but passing judgment on it; even having legal testimony, as in Nuremburg. What haunts the Argentine military is Nuremburg. Our proposal is Nuremburg. (4)

[Question] How does the international policy of the Montoneros fit into the current situation in Latin America?

Answer: We place special emphasis on the Latin American continent, because we cannot conceive of the Argentine people's counteroffensive as an isolated one, acting alone against a fascist continent. In the international framework that exists, and with the importance of certain countries, including Argentina in the Southern Cone, or Nicaragua in Central America, in some subregions of the continent, we think that it will be possible to establish the people's counteroffensive on the continent during the 1980's. Our policy in the international realm attaches priority to our relations with the popular and revolutionary forces in Latin America, based on this change in the correlation of forces on the continental level. At the beginning of the 1970's, in the popular processes which took place in Chile with Allende, in Peru with Velasco Alvarado, in Bolivia with General Torres and in Argentina with General Peron, as a result of the maneuvers of imperialism, they remained isolated from one another and were defeated one by one, without being able to coincide in time or to lend mutual assistance. So, we deem it necessary to carry out this counteroffensive jointly.

The future potential of Latin America lies in its unity. Our long-term proposal is aimed at a Latin American confederation, and the reunification of this great fatherland which was balkanized during the last century by the British Empire. And the path in this direction should start to be followed now.

[Question] Do your relations with the Sandinists stem from these principles?

[Answer] We consider the victory of the Nicaraguan people a prelude to this decade of the 1980's. The important thing is that the Sandinist popular insurrection was victorious when the people's counteroffensive was beginning in Argentina, and, at the same time, processes of democratization and popular advancement were in evidence in Ecuador and Bolivia. In the latter country, there has been a setback of the fascist dictatorship when faced with the increased struggle of the masses. This situation has also occurred in Peru. And in Brazil as well, what will occur during this decade will be an uprising and a recovery of the popular movements.

Not all the changes on our continent will be the same; some will be more deepseated than others. There will be revolutions led by vanguards, which will win power, as in Nicaragua; and there will be democratic, popular advancement in other countries. Regardless of the context wherein there is a revolutionary Nicaragua or a revolutionary Argentina, the democratic advancement in other countries will be of a different type. We shall see how it occurs. We do not want to hazard internal hypotheses for each country, since that is not up to us; but rather to the respective political forces in those countries. The Nicaraguan revolution has the mark of the Latin American counteroffensive, including the democratic feature which, in our opinion, will typify all the victories of the Latin American peoples. As we said before, there will be a more or less advanced democracy, depending on the case. Another common mark is the participation of sectors of the native bourgeoisie, allied with the people's movement against imperialist control.

[Question] What elements do the revolution in Nicaragua and the Argentine revolutionary process have in common?

[Answer] There are common elements, such as the high degree of intervention of the masses in the revolution, inasmuch as it is not only a struggle involving apparatuses, nor exclusively a struggle of vanguards. Another common feature is the revolutionary nationalist nature of the process. Finally, there is the prominent participation of women. These are the common traits, even though our country's social format is totally different from that of Nicaragua, and even though the strategy and tactics to be followed are totally different.

[Question] The international press has been assiduously denouncing the intensification of relations between the governments of Buenos Aires and Pretoria. What is the explanation for those relations?

[Answer] The explanation may be found in two factors, one geopolitical and another ideological. In the military philosophy of the South American dictatorships, geopolitics occupies a preeminent place. The Argentine military think of the war against our movement as part of a third world war. This is what they term the "aggression of international Marxism against the Western, Christian world." In their view, this is not taking place by means of direct confrontation between the great powers, between the Soviet

Union and the United States, because of the nuclear potential that would lead to the destruction of both nations. On the contrary, it is taking place through partial struggles in the Third World. For example, if South Africa "falls," the Argentine military think that they have lost the geopolitical battle of the South Atlantic, and that "international communism will progress," the next phase of which would be a leap over the Atlantic toward them. If Nicaragua "falls," the Argentine military think that the same danger might come from the north.

There is still a deepseated ideological identification between the Argentine oligarchy and the racist ruling classes of South Africa. One need only recall recent statements made by the Argentine minister of interior, Gen Albano Harguindeguy, boasting that our country is the only white race country in the Southern Cone. The Argentine oligarchy thinks of the country as being "European," and "white," and not identifiable with the "half-breed" or "black race" countries of Africa or Latin America. And this necessarily identifies it with South African racism.

They are also mutually identifiable because both feel harassed by mankind, and even criticized by the capitalist world. The defense of the racist South African regime is something that no one can assume publicly today, although we know that Western countries are giving economic and military backing to the RSA. Hence, there is a kind of political isolation in South African racism which the Argentine dictatorship identifies with its own isolation based on the exposures and violations of human rights.

Understandably, our policy has a different axis; it is an axis of national emancipation and international solidarity among the national liberation movements and among the peoples who are struggling for their independence and for social justice. The anti-imperialist proposal, which is the proposal for liberation of the underdeveloped world, requires almost as a necessity solidarity among our peoples, both to have sufficient strength at the time of the struggle and to overcome the economic and technological limitations later. There is something important which is known to the peoples who have already become liberated: namely, that there is a problem of becoming liberated militarily, but later the problem of underdevelopment arises. The problem of the lack of qualified personnel, the lack of technology for manufacturing raw materials, and of access to the foreign market. So, the process of solidarity among peoples is not confined to solidarity for emancipation in the struggle, but rather requires an economic integration that will make it possible to break the cycle of dependence.

FOOTNOTES

1. On 17 October 1945, the Argentine workers took to the streets of Buenos Aires, the capital, and the Plaza de Mayo, to demand the release of the then Col Juan Domingo Peron, who had been arrested by reactionary

sectors of the army. Inasmuch as they attained their goal, this date is considered to mark the birth of the Peronist movement.

2. The workers' insurrection which shook the city of Cordoba on 29 May 1969 is known as the "Cordobazo." This industrial city was seized by the workers who, after defeating the police, retained their authority for over 24 hours. Army troops were called in to control the situation. There was a beginning of armed resistance though snipers acting against government repression.
3. Since this interview was held in September of this year, no mention is made of the recent armed actions of the Montoneros during the following months. They were aimed particularly against the group responsible for the dictatorship's economic leadership.
4. Nuremburg is the name of the German city in which the trial of the main Nazi war criminals took place, immediately after World War II.

2909

CSO: 4401

ARGENTINA

IN MANAGUA PERONIST LEADER SPEAKS OF 'LABOR COUNTEROFFENSIVE'

Managua BARRICADA in Spanish 29 Dec 79 p 2

[Text] The Argentine military regime "has not succeeded in either annihilating, neutralizing or dividing the labor movement" and it is facing "growing popular opposition at all levels," Professor Rodolfo Puiggros, a leader of the Peronist Montonero Movement (MPM) and the former president of the Buenos Aires University, asserted today.

The old revolutionary battler (Puiggros is now 73) arrived in Managua on a private visit in order "to see with my own eyes the liberated Sandinist homeland," he told us. We took advantage of his visit to speak at length with him about the situation in Argentina.

"For the first time in 25 years, during which time we suffered under 7 military dictatorships, we can see that the working class totally repudiates the Videla regime, which has not been able to find a single point of support or cooperation for dominating or dividing the labor movement," Puiggros pointed out.

"Despite the savage repression and even though the single workers union has been declared illegal, the union rank-and-file are intact, and the proof of this is the endless series of strikes that represent a counteroffensive in support of economic grievances, union autonomy and participation of the labor movement in politics."

"The dictatorship is doomed. The overwhelming majority of Argentines condemn the replacement of a national economy by an imported economy. Domestic industry is currently in the process of liquidation, while speculative capital is the rule and while we can see the development of local monopolies linked to transnational corporations. Economy Minister Martinez de Hoz, who is associated with several American firms, is promoting a policy in keeping with the interests of the oligarchy and imperialism."

"Last week's enactment of a Professional Associations Law, which is designed to liquidate worker organizations, is an attempt to institutionalize the repression of the working class, but it has already been denounced by the unions, the political forces (which are in a militarily-imposed recess) and even the Catholic Church. The best response to this policy is the recent strikes in the automotive, glass and textile industries, the railways, etc."

According to Puigros, "internal and external pressures have forced the dictatorship to retreat, and the generals are now trying to put on a new face to conceal the terrorism of the state. Thus, Admiral Massera, who is guilty of thousands of crimes, is attempting today to appear uninvolved in the genocide of 30,000 Argentines. They are speculating that the people will forget, but the people neither forget nor forgive their executioners."

We asked the Montonero leader how he felt that the current situation would turn out. He told us that "given the current conditions and the specific experience of the mass movement, the liberation of Argentina will come about in a stage of mass uprisings in which the working class will have hegemony, which it already has in many aspects."

The objective? "The overthrow of the dictatorship and the power that it is defending, which is the power of the landowning, financial oligarchy." In turn, "the conditions are already present in Argentina for historic social transformations that, resting on the country's specific individual foundations, will lead to socialism."

In conclusion, Professor Puigros, whose son Sergio died heroically in combat against the dictatorship, referred to Montonero Peronism and pointed out that "it represents the heritage of fighting for the economic, political and cultural rights of the working class and the people and lends continuity to the Peronist movement in a bid for improvement. We are not restorers," he clarified.

With regard to the revolutionary struggle, the former university president feels that "if the dictatorship cracks down in all areas, the struggle against it should also be waged on all fronts, political, military, union, cultural and ideological. We have to combine three elements: the masses, arms and ideology. The masses alone could move towards anarchy; arms alone towards tyranny, and ideology alone would take us to an ivory tower and isolation. But together, these three elements will lead us to victory."

8743

CSO: 3010

ARGENTINA

BITTEL: CRONYISM DIED WITH PERON

Buenos Aires CLARIN in Spanish 28 Dec 79 p 9

[Text] The vice president of justicialism, Deolindo Felipe Bittel, said that his party "will follow the directives of Isabel Peron" and he gave assurances that "there will be no more arbitrary appointments" in Peronism "because that practice died with Peron." Bittel also asserted at the Moron Union Political Center that "there is no good or bad Peronism; there is a single Peronism, which does not have dissenting factions but in which the same objectives are expressed differently."

Council

The National Council of the Peronist Party disclosed the resolutions adopted at its recent meeting, which was presided over by Deolindo Felipe Bittel. It decided to appoint "a political committee to study the Armed Forces proposal." A group of jurists led by justicialism's attorney, Torcuato Fino, will take part in the work. The council also resolved "to repeat its demand for the release of Isabel Peron and Lorenzo Miguel." In conclusion, it reiterated, "for the information of members throughout the country, that pursuant to duly approved Law 21,699, the mandates of all party authorities in office as of 24 March 1976 have been extended, and therefore they should be recognized as such."

Present at the meeting were Second Vice President Nestor Carrasco (who returned to his post), Secretary General Lazaro Roca, and Herminio Iglesias, Leonardo Obeid, Bernardo Montenegro, Arturo del Rio, Ruben Sarboli, Blas Carballo and Rosaura Isia, among other advisers.

For his part, Roca expressed his thanks in a communique "to the many comrades who signed the petition published in CLARIN and whose names were not included because they did not arrive in time." The petition called for the release of the former president, Mrs Maria Estela Martinez de Peron.

In taking up the case of a woman employee in the Mendoza judiciary, which is known as the case of "the unmarried mother," women from various parties asserted that she was punished "for exercising the right to be a mother" and expressed "our repudiation of this measure, which tarnishes Argentine dignity and which is made worse by an obvious regression to obscurantism." The signers are Nilda Garre and Alicia Oliveira, Peronists; Josefina Herrera, Susana Policastro and Susana Perez Gallart, Intransigents; Ethel Diaz, Popular Conservative, and Liliana Rodriguez, Socialist.

Two groups voiced their opinions on the political proposal. The Popular Leftist Front faction, which is led by Jorge Eneas Spilimbergo, Luis A. Rodriguez and Jose Silvetti, among others, rejected both the proposal and the "civilian-military convergence" and urged the Armed Forces to take "steps right away to give the people back their rights and their sovereignty." The Yrigoyenist National Movement, which is headed by Alberto Asseff, contended that "the democratic proposal that the Armed Forces put forth is praiseworthy. In this regard, the 'foundations' are a positive and auspicious development. There are certain factors, however, that cloud the political document. The primary one is its lack of boldness in updating the country's institutions."

8743

CSO: 3010

ARGENTINA

CHRISTIAN DEMOCRATS ISSUE STRONG SUPPORT FOR POLITICAL PLAN

Buenos Aires LA PRENSA in Spanish 4 Jan 80 p 8

[Text] The president of Christian Democratic Action, Professor Manuel J. Maurino, has issued a declaration stating that "the country has learned of the Political Foundations of the Armed Forces, and as we hoped, they draw their inspiration from the National Constitution. This development does honor to the Argentine people and their Armed Forces."

"The National Reconstruction Process that was undertaken on 24 March 1976 began precisely with urgent appeals to the political branch to find a constitutional solution to the breakdown of the state, but Congress, the ideal authority, did not act, as in other equally serious circumstances, which was regrettable.

"Thus, as in 1955, in light of the totalitarian threat, our Armed Forces assumed power on the aforementioned date in an unselfish way, with scheduled changes of leaders, and have given us lofty political guidance."

Defeat of Subversion

Further on he argued that "terrorist subversion, which had branches in government bodies themselves as well as international backing, has been defeated. In spite of the war that was unleashed, the government acted with respect for human dignity, not only human rights, which certain ideologies have unfortunately politicized today. Those who have been detained without trial are in the custody of the Executive Branch, under the constitutional responsibility of the president, whose actions are monitored by the Judiciary to insure fairness."

"Thus, thank God, we are witnessing a process with clear-cut, irreversible and responsible objectives and with the guarantee that they will be accomplished in the spirit of San Martin, in other words, for the benefit of the entire nation. One of the constitutional authorities of the Argentine president is to serve as

the supreme commander of the Armed Forces. It is thus obviously legitimate for a body that makes high-level political and strategic defense and national security decisions to be made up of the commanders of the Armed Forces."

He pointed out in conclusion: "We are pleased that none of the institutional documents issued so far renounces the National Constitution."

"All of this convinces us that our current government leaders are responsive and open to dialog, which means that they realize their essential historic responsibility."

8743

CSO: 3010

CHILE

COLUMNISTS CONTINUE TO DEBATE INSTITUTIONALIZATION

Basic Issues Raised

Santiago EL MERCURIO in Spanish 2 Dec 79 p A3

/Text/ Political Parties and Groups

It seems unnecessary to say once again that the government is having some noteworthy success in economics. Only adversaries blinded by passion still refuse to recognize this. While, as is expected, social action is taking on a generalized and rapid nature that is required by all the urgent needs of sectors too long ignored, economic and social problems are going to have not just a diagnosis made, but will be given a plan for some solutions.

The difficult issues of foreign policy that preoccupy public opinion, although far from being resolved, have become less urgent lately, and may be viewed with more calmness.

The constitutional and institutional issue has spontaneously moved into first place, as a result of this quieting down on other fronts and the proximity of the completion of the study done by the Council of State on the proposed new constitution.

The domestic political discussion has begun and it is idle to refuse to recognize this fact.

This discussion has begun in the most direct and aggressive manner with attacks by extremists, one of which left some of our forces of order in mourning. The extremists seem to be determined to attack one of the fundamental reasons for our present government's existence, that is, the assurance of tranquility and order.

Producing terror and victims, sowing unrest, and leading to a lack of confidence in the government's ability to preserve order are extreme objectives of the political attack. By such attacks, they want to force

the government to take a harsh stance which could create new international problems for it, or on the contrary, to depict it as immovable and indifferent before the extremist onslaught.

As it has done so far, the government must continue to face the terrorist phenomenon with serenity and with energy, withstanding the criticisms of those who are more sympathetic to the attacker and to the assassin than to their victims.

On another plane is the political attack made by the government's democratic adversaries. Speeches, rapid demonstrations, written statements, journalistic polemics are all accustoming the public to a visible political climate. Its advocates attack the government not for its economic program (whose success is incontrovertible), nor for its violations of human rights (an issue largely made moot by the abuses by the extremists on such a large scale), but they are demanding the prompt restoration of a liberal democratic regime with elections, a constituent assembly, and parties.

This form of controversy also puts the government in the dilemma of either repression or passivity. Violent responses and incidents favor the opposition, while tolerance only encourages it.

The energy of the minister of the interior, Mr Sergio Fernandez, has prevented any new incidents, and has even managed to keep the universities peaceful, even though there are serious conflicts brewing there. In any event, the more or less periodic provocation of the authorities and the government's necessarily limited response may continue to erode public order, and with each new incident the use of repressive measures may become more uncertain, more of a danger.

The political parties and groups are taking action. And not only the opposition. Groups supporting the government are also beginning to meet and talk, questioning the course of political events.

Opinions about whether the parties should exist or not in this way seem to be made irrelevant by the facts. Individuals are banding together, united by similarities in ideology, in objectives, and in interests. There are ways of viewing political issues, either by emphasizing social justice or national independence, either individual freedom, or national traditions, or regional values. Similar viewpoints determine affinities and then groups and subgroups are formed. Whether we call them parties or currents of opinion, the fact is that the citizens are grouping or organizing themselves around political ideas or purposes. Some want to replace the present regime, and others are looking for ways to support it. The fact is that we now have political parties and political groups.

Topics of the Transition

The president of the republic has repeatedly stated that the armed forces will remain in power long enough to achieve their goals, and not indefinitely. This was the intent of the military uprising and it has remained the same since 11 September 1973. So the regime does have an end and, consequently, there is a period of transition which has begun, a period in which power will be transferred to the authorities designated by the citizens. The mandate, if we can call it that, of the armed forces and the forces of order to govern the country after the institutional collapse brought about by the former Popular Unity is not a perpetual one. It supposes that at some point in time, Chile will have recovered from the mistakes and defects that led to the military intervention. To think, as the former chief of state of Uruguay, Mr Bordaberry, did, of a republic that forever conveys power to the military would be the same as accepting a sort of permanent underage status for the population.

There is of course a consensus about these truths. But there is no consensus about the means and nature of the transition. Nor is there any agreement on the possible definitive regime.

In any case, a political discussion is beginning to start between those who oppose the government and want to replace it with another government, and those who want to organize themselves to provide civilian support, to bring about political backing for its decisions and its measures taken for public order and, above all, to collaborate in the creation of a regime without the defects that caused the collapse of the preceding regime.

Perhaps this debate might be more productive if we would consider some premises which the passing of time has caused to be forgotten, and which young people never knew, as they did not live through the events which motivated them.

The military regime is the result of a profound authority crisis in Chile. With few exceptions, those invested with authority were becoming tools of their subordinates, crowd-pleasers, demagogues willing to sacrifice their task as leaders to their fear of losing the votes on which their power was based. The crisis in authority affected not only the political authority--the president of the republic and the national congress in many of its majority decisions--not only sectors inside the parties, but also the university leadership, the heads of educational establishments, teachers, heads of businesses, and parents. The crisis in authority was stimulated and applauded by intellectuals and the journalistic media. A certain halo of ridicule and anachronism came to surround the fallen prestige of those responsible for maintaining civil order. A radical lack of respect for public figures and for anyone exercising any responsibility was combined with the exaltation of youth as a value in itself, as if undisciplined strength and anarchic immaturity deserved the respect of adults who were unsure of their own missions and their own value.

How was the problem of authority resolved by those civilians who were removed by the military because they lost the will and habit of exercising authority? How did they plan to clear up the problem of authority in politics, in the university, and in society itself? Has the crisis of authority passed, and can the country rely on healthy and respected civilian leaders?

"The function of commanding and obeying is decisive in any society. When the issue of who commands and who obeys is unclear, everything else will work improperly and awkwardly," said Ortega y Gasset.

With the necessary and supplementary command of the military regime, the issue was settled for the time being. But has the issue, whose function is "decisive for all societies," been settled for the future?

Intimately related to the crisis in authority is the crisis of moral standards. It was an ethical imperative which brought the armed forces and the forces of order to the uprising of 11 September.

Politicization starting from childhood, demagoguery, the improper use of government positions, the weakening of the moral force of the law, of the right to own property, and of liberties, the lack of faith in the nation and in the result of honest personal effort, are some of the characteristics typifying this moral crisis. It was expressed in the advance of the totalitarian communist creed, in the popularity of other anarchic and disruptive convictions, in the climate of hatred and the lack of social solidarity which together brought the nation to the verge of civil war.

The military regime produced a moral reaction. But who could guarantee that this crisis has been thoroughly exorcised, and that somewhere in the depths of our national soul there are none of the past weaknesses, errors, and scepticisms still lurking? Are the efforts needed to strengthen the moral supports of the nation being made now?

The third crisis that justified the military intervention was the crisis of individual freedom. The hypertrophy of the bureaucratic state and the weakening of the right to own private property impoverished the legal status of the Chilean people. Easily converted into a homogeneous mass, restricted in their decision-making ability and their potential, giving up all special individuality, the citizens had little by little abandoned a large part of their real freedoms. Jobs, the right to establish a business or to keep property, financing, and at times even essential supplies were becoming dependent on the state. It took a serious threat of communism before the Chileans felt their freedom deeply infringed upon, and before they reacted with the force they did bring to bear. Still, the definitive fight for freedom was won by the armed forces.

Through the mental and economic transformation that is being carried out in the nation and also because of the seven modernizations that were the immediate task of the military regime, the citizens are recovering and strengthening their freedom and their personal self-affirmation. How can this basic reconquest be safeguarded for the future? Can a regime based on parties respect the sacred freedoms of the citizens?

These questions are being raised because of the present political discussion, not to impede the course of this discussion, but on the contrary, to suggest that they be answered within this very debate.

De Dios Carmona View

Santiago LA TERCERA DE LA HORA in Spanish 16 Dec 79 p 2

[Article by Juan de Dios Carmona]

[Text] Although in forthcoming articles I will want to continue my analysis of issues related to the political parties, especially the way they are treated in the constitutional bill, right now I would like to make a parenthetical observation. Actually, it really isn't so parenthetical, because I am going to speak of something very closely related.

The excessive publicity given to the announcement of a possible "opening up"--which was not a real opening--unleashed not only opinions on this issue, but also took the lid off the outburst of diverse trends. This brought about a proliferation of statements and speeches--not just on the future political institutional system (which would be beneficial), but also on the different "currents," which, if they don't already exist, "should exist" so that they could issue their opinions on the matter.

This indicates that we Chileans carry a burden of politicization from which we can not escape. Rather than proposing specific solutions for new constitutional standards, what interests those making statements is to start "classifying" or pigeonholing" the Chilean people. In this way they can combat, rather than analyze, the proposals they should be debating, and this makes it easy to discredit the proponent. It is enough to suppose objectives and purposes that are very far from being real. For the average Chilean, this should be quite bewildering. They are seeking separation and discord before anything else, thus losing sight of the principal reason for unity which we should have now: how to install a new political institutional system, based on a modern, sound, and vigorous democracy.

It would be deplorable if, under the pretext of taking part in the institutional debate, there were attempts made by those who feel they are the "thinking elite" to provoke such a division into sectors that it would amount to a form of Bolivianization. There the division of parties, unions, and other sectors has made any process of political institutionalization impossible. Is that what they want? That is simply a way that leads to immobilism.

Someone recently said in a speech made in the name of the Group of 24, which was very critical of the military regime and very widely reported (despite the fact that in Chile "there is no freedom of information"), that we should move toward "a logic of peace founded on reason." This challenge should be accepted. But this would be the right time to really use reason, instead of emotion.

Reason is not being used when there are complaints made that they are being excluded from the democratic institutionalization process by the government and at the same time, they refuse to take part in this very process, because they want another course to be used.

Reason is not being used when they live with their eyes fixed abroad and they are not willing to see reality as it exists in Chile. They remind us of the examples of Portugal, Spain, Germany, and Italy, to indicate that "history proves that neither force nor fraud are solid supports for building a lasting order." In that way they are trying to compare the Chilean regime to the Franco regime, to fascism, and to nazism, even though they know that this is not true. They have been blinded by looking at the powerful light of foreign propaganda, and when they lower their eyes to look at Chile, they can't see anything. The heat of emotionalism has blinded them.

The strange thing is that reason does not let them argue in the same way with marxist regimes based on force. There force and fraud have worked. Because reason can not be used against them, and their order does not collapse nor is it made impotent when opposed by reason. On the contrary, such regimes reject reason in the name of political tolerance: force and fraud used in the name of the left and of the people thus become "reasonable."

Reason tells us that Chile has not had Franquist or fascist experiences or dangers. Nor does it want to have them. We remember that there was an attempt to establish a nazi movement in Chile. It was so insignificant that its own leader, to stay alive politically, had to become a liberal!

But on the contrary, Chile did have the harsh experience of a government of marxist parties which, if it had not been for 11 September, could have assumed the characteristics of a Soviet-style totalitarian regime, with

no possibility of going back. Therefore, reason should be used essentially to prevent a new attempt by totalitarian marxism in Chile. In the name of reason, we can not go back to a tolerant position whose earlier ineffectiveness has been demonstrated; this shows us that those who advocate such positions have learned nothing from the grave threat that Chile did manage to ward off.

Reason is not being used when they suggest going back to a party system like the previous one, or when they refuse to participate in other, more modern forms, based on universal suffrage, but which give greater participation and access to national majorities. And it is not reasonable to call for universal suffrage and elections, as a sort of magic formula, and to continue favoring the power of party leaders, who are not exactly elected by universal suffrage, nor do they have the backing of the people, in whose name they are speaking.

Reason is not being used when the intentions of other speakers are suspected and when they abuse people who hold different positions. They are falling into the error of "Europism," by inventing clever phrases. But an institutional system is not built on clever phrases.

No one in Chile supports a "neo-absolutism." Nor does the constitutional bill contain the idea of a "neo-Bonapartist protectorate, based on 'yes' or 'no' plebiscites, like the ones Napoleon used." This "witticism" is incomprehensible to the people of Chile, who don't live on a diet of intellectual juggling; nor does it mean anything at all to the younger generation, whose voice should be heard in this process. Reason points out that in the first place, any argument should be based on truth.

The constitutional bill does not propose the plebiscite system as a foundation for Chile's future political life. It only uses the plebiscite when there are differences between the president of the republic and the national congress about a constitutional reform. This is no more and no less than what the Constitution of 1925 said. For that reason, trying to separate the Chilean people into different factions by inventing positions that do not exist in reality is just another display of intellectual fireworks.

Reason is not being used when former spokesmen of Popular Unity appear, those who were the causes of the destruction of our democracy, now calling for the "restoration of democracy." This is the very same democracy that they attacked for being a reactionary and corrupt regime, the fruit of a "decadent" legality and representative of the capitalist system. What defense, thinks the average Chilean, could those who have proved that they don't believe in democracy now make of democracy?

Reason is not being used when they claim to represent the majority of the Chilean people and they start by dividing them up into infinitesimal groups. Why don't we first construct the edifice by all working together, and then decide on the color of the paint? What is the use of discussing this first? The country is looking on with amazement while they are trying to form movements of "democratic socialists," who denounce the "social democrats," even before they can speak about parties, which in everyone's opinion, should be the product of the new reality of Chile. The issue is one of separating and dividing.

I am convinced that there are in Chile today two categorical and real majorities: the first consists of those who favor the military government. The second consists of the first group, plus all those who want a modern democratic regime for Chile, one which can provide security for the Chilean people.

I think that it is perfectly possible to disagree on the military government, but still to work together to bring about institutional normalization. Is it very hard to understand that?

Filippi Seeks Clean Plebiscite

Santiago HOY in Spanish 19 Dec 79 p 5

[Article by Emilio Filippi]

[Text] According to official announcements, there will be no political opening. This amounts to leaving the process frozen in the state in which it is now, without positive variations that demonstrate that we are moving toward the recovery of the democratic values that have been suspended since 1973.

Despite that, we can catch a glimpse of the intention of giving shape to what we have been calling the new institutionality with the approval of a new political constitution, the selection of an "ad hoc" parliament (naturally not elected by the people), the confirmation of the present government for another 6-year term, and the removal from public life of all those persons who have different ideas from those officially accepted, and therefore are considered a danger to the survival of the regime.

This entire package is apparently to be proposed to the country by means of a plebiscite, although naturally they would try to give it a more general and more attractive appearance.

The Chileans will thus either have to accept or reject the maintenance of the present system. It is unlikely that they will be allowed to choose some other option or, even if they are allowed to do so, it is still

unlikely that they would be allowed any forum in which to discuss the philosophy of the model that they will be allowed to vote on. It has been announced that the debate will be regulated, restricting it to what those in power feel is within proper limits.

Despite the fact that those in power say that they have not changed the rules of the game at all, it would be wise to remember that government officials have always said that the new constitution and its political effects would be discussed publicly and freely and that the citizens' decision would be made in a free, clean, secret, and well informed process.

The country, which regards this situation with serious concern, wants its new political constitution not to have a spurious origin, but to be clearly legitimate. The only way the government can ensure that the plebiscite of expression of the popular will on the political future of the nation will be a proper one is, starting now, for it to draw up voter registration lists, to determine the fairness and correctness of the vote counts, to establish a method to judge the results, and to create an appropriate tribunal, one not dependent on the executive, and with the highest moral standing, to study appeals and resolve either procedural or substantive issues which may arise.

If the plans announced by high officials of the regime on various occasions are applied, the plebiscite should not be the same as the vote which was held on 4 January 1978. And not only because then the people were asked only to back the government against what was perceived to be a foreign aggression (since it has been denied again and again that it had any domestic political repercussions, being forgotten once it had happened) but also because the plebiscite would be held to determine the fate of the nation and the future of its institutions.

The 4 January vote was also characterized by the unsubtle way provided for criticizing the government. The design of the ballot collection tables, in a partisan, sectarian manner; the transparency of the ballot forms which prevented any secrecy of the vote; the aggressive way of having to state either "yes" or "no," reminiscent of regimes that, strangely enough, everyone in Chile condemns; the widespread secrecy surrounding the vote counts, and the delivery of total vote counts which were impossible to check, all tended, either rightly or wrongly, to cast a shadow of doubt on the proceeding itself.

This can not be allowed to happen to the plebiscite; a constitution born under a cloud would be little less than an insult to the Chilean people. And it would be illegitimate.

Rodriguez Grez Opposes Parties

Santiago LA TERCERA DE LA HORA in Spanish 16 Dec 79 p 3

[Article by Pablo Rodriguez Grez]

[Text] In recent months political activity has sprung to life again, though limited to a highly unrepresentative minority. Some former leaders from time to time bemoan the indifference of the citizens to their proposals. They hope that the political recess, which followed the ideological saturation that we endured in the past, has increased the public's attention span and renovated the flurry of partisan activity that characterized this country for so many years.

Liberal democracy--based on political parties--is impracticable in Chile at this time. As President Pinochet has clearly pointed out, the appearance of marxism-leninism fatally transforms this system, beyond its virtues or its vices, into a deadly trap for freedom, and it becomes the surest way of establishing here a Cuban-style dictatorship, according to the communist model for this continent: a nation that provides neither raw materials nor manufactured goods, but guerrillas and military divisions to be spread throughout the world in the service of Moscow and its expansionist policy.

It has been said and demonstrated so many times that there is no safeguard or protection capable of preserving the state from marxist infiltration and corrosion if at the same time there is a democratic regime that relies on universal suffrage, channeled through political parties, as a source of power. But fortunately, democracy has not become a lost cause here. It is perfectly possible to create new channels for representation--both regional and functional--that, along with an institutionalized security force, enable us to reconcile freedom with authority and the right to participate with public order and tranquility. Political traditionalism, nonetheless, periodically reminds us that no other form of democracy is feasible; this is equivalent to rejecting any alternative form of construction and, what is worse, to abdicating in favor of international marxism, perhaps even in the same way as was done in 1970.

The Historic Erosion of the System

It is time to realize now that the formal democracy that reigned in this country until 1973 was destroyed because of its historic erosion. I am not the only one saying this; representatives of all the sectors that are now clamoring insolently for another opportunity have been trying to explain and make excuses for what happened.

Salvador Allende, in the final days of his administration, told a former labor leader:

"I am not the president of Chile; I am just a figurehead. I do not command; the ones in control are the parties that brought me to power. I say one thing, I order one thing, and it is not done; I forbid something, and it is done. That is my role..."

Patricio Aylwin Azocar, who spoke with Allende in a vain attempt to avoid his overthrow and to transfer power to his party, speaking in Valparaiso a short time ago, said, referring to the causes that led to the institutional collapse:

"As for us, we are aware that the tragic institutional collapse of our country was primarily a result of the inability of the people of Chile to reach agreement among ourselves and to rise above our differences. This was the result of the sacrifice of democratic values to ideological sectarianism, to the unyielding defense of selfish interests, or the search for unlimited power."

And then, my neighboring columnist, Juan de Dios Carmona, last Sunday wrote, referring to Allende's confession, already mentioned:

"It dramatically reveals how the presidents little by little came to be imprisoned by an extraconstitutional force: the power of the party leaders. The strange thing is that this power is not derived from universal suffrage, which these very same parties demand in order to recognize any authority as legitimate."

With these comments in mind, which are barely a shadow of the reality, can anyone objectively agree to give the politicians and the constitutional regime of the past a new chance, in the hope that they will correct the mistakes and defects that brought us to ruin?

On this point, we should also consider that communism will not again make the same mistakes, since even though the "democratic politicians" have learned nothing and want to establish a "guaranteed state of coexistence with Marxism," Marxism itself has learned its lesson well, and as soon as it can, it will move to block any defenses against its obsessive totalitarian goals.

A Return to Naivete

For Mr Aylwin, who is sincere, whatever may be his faults, is again calling on us to take part in the same adventure whose beginning and ending we know all too well. In his speech in Valparaiso he said, speaking of ideological pluralism:

"As for the risk that pluralism may endanger the very existence of democracy, we think that this entails, on the part of all citizens, parties, and social organizations, a pledge of democratic loyalty, obliging them to respect their fundamental values."

We should indeed wonder what democratic loyalties the marxist socialists and communists can talk of; as they have proved and as their very principles indicate, it is necessary to destroy bourgeois democracy in order to replace it with the dictatorship of the Central Committee of the Party...What do we have left? Didn't Aylwin himself say that the institutional collapse was caused by "the sacrifice of democratic values to ideological sectarianism, to the unyielding defense of selfish interests, or to the search for unlimited power"?

Later, with similar verbal fireworks, he told his audience:

"No political party can be excluded for ideological reasons, but only for antidemocratic behavior. But such behavior must be severely punished with the penalties that the law provides for those guilty of crimes against the constitutional democratic order."

That was just what happened until 1973, when Carlos Altamirano, the MIR Movement of the Revolutionary Left/ terrorists, and the extremists who assassinated Perez Zujovic were jailed. But these penalties, instead of making political parias of those responsible, transformed them into senators and heroes of the Marxist vanguard. They were later pardoned and emulated by their more fanatical followers.

And what would happen then? Aylwin's proposal brings to mind the days after 4 September 1970, when nothing could keep the Christian Democratic Party from turning over the power, without any resistance, to totalitarian Marxism, knowing full well (or they should have known) that this was the start of the most critical of all periods for the Chilean people, the start of the shift from democracy to tyranny, from liberty to slavery.

Yesterday the government yielded itself up to Popular Unity by means of a secret pact, turning its back on the people. Today they want us to do the same thing again, covering their goals with plaintive confessions, and trying to make us believe that they deserve another chance, a chance that would be our last chance. And all this in exchange for returning to power, although for a transitional phase, at the price of repaving the road that leads to communism.

Guzman Replies to Group of 24

Santiago ERICILLA in Spanish 12 Dec 79 p 11

[Article by Jaime Guzman]

[Text] There will be time to lay bare the incongruities and contradictions which, beyond any mere disagreement, deprive the political-constitutional position of the Group of 24 of the most elementary coherence and internal logic.

But before that, we should shed some light on the general political background of the recent speech given by Patricio Aylwin to members of that group in Valparaiso. Unfortunately, some of those in the audience, apparently seething with resentment, came through more clearly than the traditional deliberations of Mr Aylwin.

The speech called for a presumed "logic of peace" to replace an alleged "logic of war" that is supposedly inspiring the present government. Thus, the new institutional system would be the fruit of an "agreement" and not an "imposition" by the present regime; the latter term, "imposition," was even applied to a new constitution that would be cleanly approved by a plebiscite.

From the asphyxia of the self-imposed ghetto in which the little group of former PDC [Christian Democratic Party] leaders have shut themselves up, as a national review so graphically put it, they are fighting against an "oppression" that the average Chilean does not even notice. And, perceiving the lack of any massive response, they accuse the same sovereign people, whom in theory they glorify, of "losing their moral conscience." These are strange leaders of the "people's will." They refuse to tolerate the fact that the ordinary citizen will temporarily accept restrictions on certain political liberties, in order to recover spiritual, economic, and social liberties that more closely affect his personal and family life, and that will actually strengthen the future political liberty.

Under the deceptive appeal for an "agreement" is concealed the old tactic which the political opposition has always used to keep strong minds and visionary leaders such as Portales, Balmaceda, and Arturo Alessandri, from managing to have prevail the deepest feelings of our national soul. Using such a tactic, all of those outstanding parties attacked the Constitution of 1925 and discredited the plebiscite which approved it. Of course. Now they want an "agreement" among the political leaders, enabling them once again to subvert the people's decision. That same decision which emerged triumphant on 11 September 1973 and on 4 January 1975. That same decision that they rejected earlier, when they established a party monopoly which excluded from parliament any independent popular expression.

But there is even more. We know this "logic of peace" of the Christian Democratic leaders much too well.

Wasn't it perhaps during the Frei government that the MIR appeared and grew with an impunity that enabled its leaders, fugitives from justice, to exercise without any obstacles their logic of war? Didn't that same government spur on the start of the pillage and the violent takeovers? Didn't it also back a yellow press that unleashed the worst of the moral violence? Wasn't the Tomic program of the "non-capitalist course toward development" a clearly socialist plan, which explained both the secret pact of the Christian Democratic candidate with Mr Allende, and the support that the principal architects of the Tomic program, Messrs Jacques Chonchol and Luis Maira, quickly gave him? Wasn't it the former PDC which constitutionally elected Mr Allende, after a "statute of guarantees" that Allende ridiculed, later saying that he had only agreed to it as a matter of strategy? Wasn't it Mr Aylwin himself who, despite this prior record, began a "dialogue" with President Allende on 30 July 1973 when it was already apparent that Allende was only seeking to gain time for his totalitarian putsch, as later events proved? Didn't Mr Frei even refuse to acknowledge the government junta on 18 September 1973, in the Tedeum of National Gratitude? Isn't the surrender of our political sovereignty, in response to unacceptable foreign pressures, a part of the "agreement" that the former PDC is now supporting?

The list seems long enough. And it is because they have never understood that the logic of peace demands intellectual and moral courage to face and defeat those who, in accord with their doctrine, in the end only want to foment civil war. For that reason they first supported the rise of marxism, and they never truly accepted the demand of 11 September or adopted a realistic attitude about its inevitable rigors. In their bucolic naivete, they say they want to draw into "peace agreements" those who don't believe in them, thus repeating the same course that led us to fratricidal warfare. We who defend the true logic of peace have a moral duty to denounce them as simple-minded dreamers of a fool's utopia.

7/79
CSO: 3010

NICARAGUAN CLAIM TO CAYS REJECTED

San Andres Loyal to Colombia

Bogota EL ESPECTADOR in Spanish 22 Dec 79 Sec A pp 1, 8

[Text] San Andres Island, 21 December--The inhabitants of this island have expressed indifference toward the news that the National Reconstruction Junta ruling Nicaragua decided to lay claim to San Andres, Providencia, Santa Catalina and any portion of land within 200 miles of that country's coast.

But, unlike the uproar which the announcement apparently caused in Bogota, the people here are not showing great concern over what might happen; not because of apathy, but because the nationalism and loyalty of the people of San Andres toward Colombia are so deeply rooted that many of them consider Nicaragua's ambitions at this point to be a joke in poor taste.

Authorities Speak

Upon being questioned, superintendent Ana Garcia de Petchalt stated that it was impossible for her to make comments in advance, until the foreign ministry made a statement, but she explained that, in any event, there has been no official confirmation to date of the move made by the Nicaraguan Junta.

When asked if, as a leading official, she had ordered any particular precautionary measure, in view of the fact that there are still hundreds of Nicaraguan refugees in San Andres, Mrs Petchalt said that there were no reasons to warrant it, adding that the security council had been convoked this week, as it usually is.

Finally, the superintendent remarked that she was convinced that this would be another occasion for demonstrating the ardent patriotism of the islanders, because "they all back Colombia, just as Colombia backs San Andres."

Capt Ruben Combariza, commander of the naval station, for his part, stated that the Colombian Government has not yet been officially notified by the

government of Nicaragua, and that only the president of the republic is responsible for making the pertinent decisions, which will surely be made public through the foreign ministry.

Captain Combariza did not conceal his emotion over the hundreds of telephone calls that he has been receiving from individuals who want to demonstrate in some way their deep affection for Colombia.

Normality

The station commander confirmed the fact that there is complete normality on the islands and cays, but he declined to give the number of troops available for guard duty. The ARC tugboat "Rodrigo de Bastidas" is making a routine check of personnel in the cays.

The best way of ascertaining the mood of the natives with regard to the incidents that are occurring is to seek out the opinion of those recognized as critics of Colombia. One of them, a high school instructor, when asked whether he would be pleased by a possible annexation to Nicaragua, replied very angrily: "I prefer to be a third-class Colombian rather than a tycoon in Nicaragua."

Another one, a taxi driver, commented: "What those crazy communists need is the Gorgon's island, not San Andres Island."

But what grieves people most, according to a remark made by an old man, is the Sandinists' ingratitude toward Colombia and San Andres, because both our government and the residents of this island gave them all possible support and assistance when they were arriving in droves, fleeing from the persecution of the dictatorship.

Costa Rica Backs Colombia

Bogota EL ESPECTADOR in Spanish 22 Dec 79 Sec A pp 1, 9

[Text] Yesterday, the Costa Rican charge d'affaires in Colombia, Rolando Blanco Solis, told EL ESPECTADOR that, "The claims that Nicaragua is making of alleged sovereignty over Colombian and Costa Rican territory, that of the very two countries which helped it most to free itself from the Somoza dictatorship, are really ridiculous."

In expressing his personal opinion of a news dispatch from Managua reporting the initiation of "an aggressive nationalist policy by Nicaragua," announced by the Reconstruction Junta to cope with an alleged neocolonialist domination, the Costa Rican charge d'affaires said that Guanacaste is as Costa Rican as the archipelago of San Andres and Providencia, and the cays of Roncador, Quitasueno and Serrana are Colombian.

The diplomatic official said: "Everyone knows that San Andres and Providencia belong to Colombia, because there are treaties which prove it; and the same thing holds true for the cays of Roncador, Quitasueno and Serrana which, in fact, are closer to Costa Rica than to Nicaragua, if that were the issue." Rolando Blanco Solis gave a reminder that Costa Rica's sovereignty over Guanacaste dates back to a treaty that was signed on 25 June 1824. He remarked in conclusion: "It doesn't cost anything to dream."

International Pressure

Yesterday, the former foreign minister, Alfredo Vasquez Carrizosa, said that big multinational companies may possibly be pressing the Nicaraguan Government to create a boundary problem for Colombia, and to ignore irreproachable treaties which give our country complete sovereignty and jurisdiction over the archipelago of San Andres and Providencia, and over the cays of Roncador, Quitasueno and Serrana, in the belief that there may be abundant oil deposits in the area.

He added that the Reconstruction Junta in Nicaragua is certainly seeking in this nationalist cause a means of diverting the attention that is now being focused on the internal problems that it is confronting.

Former Minister Vasquez Carrizosa also cited the likelihood that the delay in the approval of the treaty signed in 1972 between Colombia and the United States, which he described as strange and inexplicable, originates in a "corridor maneuver," or "lobbying" as it is called in the American language, dating back to the time of Somoza's dictatorship.

Vasquez Carrizosa said: "Under these circumstances, it is incumbent on the Colombian Government to calmly but firmly reaffirm the obviousness of our rights." And he concluded by stating: "But it would also be fitting to ask the extent to which our foreign minister, Dr Diego Uribe Vargas, who negotiated the Sandinist revolutionary junta's rise to power with the other Andean foreign ministers, secured from the junta a pledge to uphold international treaties and obligations."

As minister of foreign affairs, it was Dr Alfredo Vasquez Carrizosa's responsibility to sign with the United States the treaty which had begun to be negotiated when Dr Alfonso Lopez Michelsen was foreign minister.

Hence, his authority on the matter is acknowledged by all sectors.

The History of the Treaties

This is why all the news media, including EL ESPECTADOR, have sought his opinion of the order issued 3 days ago by the Nicaraguan Government to extend its dominion over the seas to 200 miles, and to claim sovereignty over the cays and archipelago of San Andres and Providencia.

Vasquez Carrizosa is of the opinion that the news about the Nicaraguan junta's decision has evoked great indignation because it is as if some neighboring countries wanted to come and claim the right to Bolivar Square.

While Vasquez Carrizosa and Drs Alvaro Garcia Herrera and Ricardo Barrios, members of the present government's Foreign Relations Advisory Committee, forcefully repudiated the Nicaraguan last-minute claims, the Colombian Government continued to study the situation, before making an official statement.

Former Foreign Minister Vasquez Carrizosa gave EL ESPECTADOR the following historical account of the treaties which provide grounds for Colombia's rights to the San Andres archipelago and the cays surrounding it:

"The history of the negotiations between Colombia and Nicaragua, on the one hand, and the United States, on the other, concerning the archipelago of San Andres and Providencia, and the islands and cays comprising it, is quite simple and, insofar as Nicaragua is concerned, does not pose a legal argument of any kind. In 1928, long before the head of the Somoza dynasty came to power, a treaty was signed in Managua on territorial and maritime boundaries which completely and irrevocably demarcated the dominion over the seas of each of the two countries."

The former foreign minister continued: "That treaty clearly states that, 'The Republic of Nicaragua acknowledges the Republic of Colombia's sovereignty and complete dominion over the islands of San Andres, Providencia, Santa Catalina and all the other islands, islets and cays which comprise that archipelago of San Andres.' This treaty cannot be disregarded, because it has all the marks of validity recognized by international law. Moreover, the supplementary act of 1930, signed between Colombia and Nicaragua, made the first clause of the treaty even more precise, establishing meridian 82 as the dividing line between the dominion of the seas of each of the two countries. Therefore, we do not have any point to discuss, nor even any legal issue to debate."

The Matter of the Cays

Dr Vasquez Carrizosa went on to say: "It should be added that, insofar as the cays of Roncador, Quitasueno and Serrana are concerned, the Treaty of 1928 expressly excluded them, with the consent of Nicaragua, because they were in dispute between Colombia and the United States, according to the notes signed in 1928 between Dr Enrique Olaya Herrera, as minister in Washington, and Secretary of State Frank Kellogg. In order to clear up this situation, the Treaty of 1972 was signed between Colombia and the United States, acknowledging our complete sovereignty over those cays. What is wanting, as I have stated publicly, is the ratification by the United States Government of that treaty which bears its signature. It so happens that, for circumstances that I consider odd, the Treaty of 1972 has remained

shelved in the Foreign Affairs Committee in Washington for too long a time, which indicates a strange doubtfulness concerning the fate of that treaty on the part of the United States. It does not befit me to reveal what was said between Colombia and the United States through diplomatic channels after 1974, the date on which the government of President Pastrana, with which I had the honor of being affiliated, came to an end. There is no question in my mind that there was a corridor maneuver or, as it is called in English, 'lobbying,' during the time of the Somoza dictatorship, in Nicaragua to prevent the approval of that treaty; because, otherwise, the delay in its approval is complete incomprehensible and inexplicable."

Nationalist Trick

Vasquez Carrizosa then declared: "Nicaragua's dispute with Colombia, and not Colombia's with Nicaragua, may possibly originate in the political area from the need for a revolutionary government encountering major internal difficulties to have a nationalist cause. Under those circumstances, it is incumbent on our government to reaffirm the obviousness of our claims calmly but firmly. I should note that, before leaving the foreign ministry, I had a book published containing historical and legal records of our sovereignty over Quitasuenos, Roncador and Serrana, with all the documentation that I took from the Colombian diplomatic files. This is an occasion on which to recall that Colombia has always based its sovereignty and most clearcut and valid claims on international law."

Multinational Interests

He was asked: "Is it true that the cays of Roncador, Quitasueno and Serrana have abundant oil deposits?"

He answered: "It is possible that they exist, just as it is possible that big multinational oil companies have an influence in this matter. But it would also be fitting to ask the extent to which our foreign minister, Dr Diego Uribe Vargas, who negotiated the Sandinist revolutionary junta's rise to power with the other Andean foreign ministers, secured from the junta a pledge to uphold international treaties and obligations. As I have said, the dispute is Nicaragua's with us, but not Colombia's with that friendly nation."

Naval, Air Patrols Continue

Bogota EL ESPECTADOR in Spanish 24 Dec 79 Sec A p 1

[Text] San Andres Island, 23 December--Aircraft from the Colombian Air Force [FAC] and warships from the National Navy began intensive patrolling of the cays belonging to this archipelago, to anticipate any foreign act aimed against the national sovereignty.

The squadrons sent by the FAC consist of T-37 fighter and bomber planes. It was also learned that the surveillance is being kept by Mirage planes at higher than conventional altitudes.

Meanwhile, Navy units, including the submarine "Tayrona," are sailing toward San Andres, detailed especially by the Atlantic Naval Forces Command, in order to protect Colombia's territorial and maritime rights in this part of the Caribbean.

Normal Activities

Although the mobilization indicates that a state of alert has been declared in the military area as a result of the claims announced by the revolutionary government of Nicaragua, civilian activities on the islands are still going on quite normally.

The thousands of tourists who visit San Andres during this season have not met with any obstacle in enjoying the ocean and their usual shopping. On the contrary, the maneuvers involved in the takeoff and landing of the FAC's combat planes have become an additional spectacle for both residents and visitors.

2909
CS0: 3010

ISA: NO RUSSIANS AT URRA DAM SITE

Bogota EL TIEMPO in Spanish 5 Dec 79 Sec C p 4

[Text] Medellin, 4 December--Today, Electrical Interconnection, Inc (ISA) denied the presence of Soviet personnel in the area wherein the construction of the Urrea I and II hydroelectric powerplants has been planned, and stated that, to date, there has only been an agreement for the purchase of equipment with the Russians.

It also denied rumors to the effect that the firm has been opposed to surveillance kept by Army troops, because of the high cost of mobilization.

The statement was made after a commando group of the Popular Liberation Army made an attack last Saturday on a camp which ISA engineers are putting up near the mouth of the San Juan River, in the department of Cordoba, a site on which one of the largest and most expensive powerplants that the country will have by 1987 will be put into operation.

Communique

"Electrical Interconnection, Inc, assigned by the national government and the electrical sector to carry out the design and construction of the Urrea I and Urrea II hydroelectric powerplants, and the diversion of the Verde and San Jorge Rivers, and the Urrea I and II dams, deeply regrets the acts of violence which occurred in the Upper San Jorge area, and takes the liberty of reporting to the public:

"1. To date, the feasibility studies on the projects for the Urrea I and II powerplants have been made by CORELCA [Electric Corporation of the Atlantic Coast], and ISA is currently engaged in the design for the projects. When that design has been completed, public bidding will be opened on the construction; and, therefore, it is extremely difficult at present to predict who will be responsible for the construction; although, since native engineering is playing an increasingly larger role in hydroelectric construction, it is likely that, at that time, Colombian firms will compete with the foreign ones for the adjudication of the project.

"2. All the engineering used by CORELCA and Electrical Interconnection for the studies, design and construction of access routes to the Upper Sinu has been and is native.

"3. A preliminary agreement has been reached with the Soviet Union's firm, Energomachexport, for the supply of electromechanical equipment for the Urra I and II powerplants. This equipment would be manufactured in the USSR. As was done during the first phase of the Chivor powerplant, and as is being done in the second, the equipment will be installed by Colombian technicians, in accordance with the manufacturer's specifications.

"4. ISA views with concern the fact that incidents such as those which took place this week and last may delay the construction of the Urra powerplants. Those powerplants are vital for supplying electric power to the Atlantic coast and the country in the immediate future. Moreover, the Urra I and Urra II dams will make it possible to regulate the volume of flow of the Sinu River, and to reduce the flooding in the area; and they will allow for the irrigation of the valley of the same name, an essential supplier for Colombia.

"5. ISA and the firms in the electrical sector which have been making an unprecedented effort to permit native engineering and industry to participate more actively in the hydroelectric projects view with concern the fact that there may be interference in the construction of a project of such magnitude, invoking reasons of an external nature.

"Sincerely, German Jaramillo Olano, General Manager, Electrical Interconnection, Inc."

2909

CSO: 3010

COLOMBIA

ICEL TO INVEST 6 BILLION PESOS IN 1980

Bogota EL TIEMPO in Spanish 21 Dec 79 p 8-A

[Text] Starting in January 1980, ICEL [Colombian Electrical Power Institute] will invest 6 billion pesos to develop the National Rural Electrification Plan in 15 departments and in national territories.

The projects will be undertaken over a period of 4 years, and the electric power coverage of the country's rural zones will be boosted from the current 13 percent to 26 percent.

The National Electrification Plan calls for the construction of 20,800 kilometers of medium- and low-tension lines, the installation of 10,000 distribution transformers and the construction of 145,000 hookups in rural dwellings.

The beneficiaries will be able to pay for the service through loans that the Farm Bank will offer to customers in the form of member credit.

A domestic hookup will cost 7,000 pesos, and almost 800,000 rural residents are expected to benefit.

The rural electrification project will be the country's largest nationwide undertaking and will be financed with investments from government and private bodies.

The 6 billion pesos (about \$150 million) will come from the following sources: the federal budget, \$33 million; IDB loan, \$50 million; Farm Bank, \$22.5 million; National Federation of Coffee Growers, \$22.5 million, and electrification enterprises and departments, \$22 million.

The manager of ICEL, Carlos Rodado Noriega, said that the IDB loan was negotiated in the record time of 6 months and that it was the first one secured by the country for a rural electrification program.

"The National Rural Electrification Plan has become a project of major importance, unprecedented in the country's history, and never before have we secured a loan from an international bank like the IDB in negotiations that lasted only 6 months."

Rodado noted that this record bargaining time will perhaps mark the beginning of shorter negotiating periods, which generally last 3 or more years before international loans are approved.

He also pointed out that 30 percent of the plan's designs were completed in short order; costing 40 million pesos, they were tagged by the IDB as essential requirements for approval of the credit.

With regard to the IDB loan, the ICEL manager stated that the \$50 million were from the bank's Special Fund, which entails a series of advantages for Colombia, such as a mere 2 percent annual interest rate, a 30-year term for paying off the loan and a 7-year grace period.

The money will be earmarked for the purchase of materials and equipment needed to carry out the National Rural Electrification Plan. They can be bought in any country.

Rodado Noriega announced that a new rural electrification program for the Atlantic coast is under study.

The aim is to benefit 55,000 rural dwellings in the departments that are served by the Electric Corporation of the Atlantic Coast, which will be in charge of implementing the program.

He also reported that bidding would open in January for the execution of the National Rural Electrification Program and that ICEL would launch a drive aimed at saving energy throughout the country.

In conclusion, the ICEL manager stated: "The National Rural Electrification Plan is the best Christmas present that the government could give residents of the countryside."

6743

CSO: 3010

COLOMBIA

CONGRESSMAN CALLS FOR NEW PETROLEUM POLICY

Bogota EL TIEMPO in Spanish 9 Dec 79 p 13-A

[Article by Juan Jose Hoyos]

[Text] Medellin, 8 December--Representative Hugo Serrano Gomez, the chairman of the Eighth House Commission, today called on the government to alter the structure of partnership agreements and to establish the necessary economic incentives and guarantees to attract the investors who have the appropriate technology, experience, economic capability and resources to develop our petroleum reserves.

He also contended that the country has to quickly boost its currently insufficient refining capacity, as well as its capacity to transport, distribute and store fuels.

Serrano Gomez claimed that the development areas in which work has been going on since 1973 under partnership agreements are practically "frozen," while the oil companies involved in these contracts have kept up a far from brisk pace in exploration and drilling activities.

The congressman spoke before delegates to the Ninth National Congress of FENDIPETROLEOS [Federation of Petroleum Distributors], which met in this city on 6, 7 and 8 December.

"The government has been very flexible with these companies," Serrano Gomez argued. "Under the current conditions agreed upon in the partnership agreements, operations are not profitable for the companies, and therefore they do not take any initiatives, which means serious losses for the national economy."

He said that if Colombia wants to resolve its energy crisis, it must completely change its economic structure and reverse its petroleum policy.

The chairman of the Eighth House Commission explained that from November 1978 to 3 December 1979, 23 wildcat wells were drilled, only 1 of which has achieved a depth of 19,000 feet.

The vast majority of the wells in the country are an average of 10,000 deep.

"We must take the necessary steps to import up-to-date equipment that can drill to 30,000 feet, which is unfortunately where our oil lies," Serrano Gomez asserted.

He contended at the same time that it would be impossible to carry forward suitable exploratory activity with obsolete equipment. In this connection he explained that there are 23 drilling rigs in Colombia, but only 2 of them can drill past 20,000 feet.

The representative deplored the fact that it has been impossible to intensify exploration and drilling operations in the 13 sedimentary strata that exist in Colombia, in spite of the good intentions of the laws governing partnership agreements.

Only 25 percent of the 750,000 hectares of potential reserves have been explored so far, according to Serrano Gomez.

"Colombia's basic problem in connection with petroleum is that there is a very low level of exploration and drilling activity," the representative asserted.

In this regard, he asked: how much did ECOPETROL [Colombian Petroleum Enterprise] spend between 1973 and 1978 on exploration and drilling and what results did it achieve? According to Serrano Gomez, only 108 wildcat wells were drilled during this period, only 5 of which are relatively productive.

With regard to substituting gasohol for gasoline, the chairman of the Eighth Commission commented that this is an important project from an experimental standpoint and that about 3,000 barrels a day could be produced on such a basis; he called attention, however, to the large tracts of land required to grow sugar cane, which would thus displace crops that go to feed the Colombian people.

"Gasohol is not a solution to our problem, not even in the intermediate term," Serrano Gomez said. "It is advisable in the case of Brazil, which has a territory eight times larger than Colombia, while importing 85 percent of its hydrocarbons."

With regard to coal, he said that it could substitute for fuel oil, fuel oil for motors and gasoline, provided that the government and the

companies in the partnership agreements push forward with infrastructure projects such as railways, roads and loading ports, while the country imports the equipment needed for the appropriate development of the mineral.

8743

CSO: 3010

COLOMBIA

REFINERY PLANNED FOR VILLAVICENCIO

Bogota EL TIEMPO in Spanish 17 Dec 79 p 1-A, 17-A

[Text] The government has decided to build a refinery near Villavicencio to process the oil extracted from the Cano Garza, Trinidad and Castilla fields in the eastern plains, Mines Minister Alberto Vasquez Restrepo reported today in Bucaramanga.

Referring to the new hydrocarbons exploration and development work, the minister stated: "As far as oil exploration is concerned, we drilled 34 wells this year, which is 80 percent more than last year, and we discovered 3 productive fields. Eight new partnership agreements were signed, with six additional ones ready to be signed. Three new foreign companies were brought in to take part in the country's petroleum activities, and we acquired all third party rights to the important Orito deposit, which could very well enable us to boost output in this area."

He indicated that the decision had been made to build a refinery and that the appropriate steps are being taken to set it up near Villavicencio. It will have a capacity of 30,000 to 40,000 barrels and will utilize the Cano Garza, Trinidad and Castilla deposits. In addition, he added, "we hope to reach an agreement in a few days with the Texas Company on developing and refining, under a partnership arrangement, between 20,000 and 25,000 barrels from the Cocorna field."

He asserted that an aggressive secondary recovery policy and the possibility of discovering new deposits, which seems quite likely in the plains and other regions, "lead to the reasonable assumption that in 4 to 6 years the country can boost its output between 80,000 and 100,000 barrels a day, which is twice the amount that we are importing today."

"But," he pointed out, "in this administration's determined effort to resolve Colombia's energy problem on a long-term basis, we have not limited ourselves solely to work on hydrocarbons, because we are convinced that the oil will run out in a relatively short time and that what we are able to do in terms of substitutions beforehand will enable us to carry out the unavoidable and far-reaching change with the fewest possible difficulties."

COLOMBIA

TURBAY INAUGURATES NEW NICKEL MINE

Bogota EL TIEMPO in Spanish 13 Dec 79 p 6-B

[Article by special correspondent Jaime Hora]

[Text] Cerrromatoso, Cordoba--The era of nickel began today in Colombia at 1330 hours as President Julio Cesar Turbay Ayala activated the detonator that exploded 500 kilograms of dynamite at the Cerrromatoso field, which is one of the richest nickel mines in the world.

The deposit covers practically all of a 2.5 kilometer long and 1.7 kilometer wide hill within the jurisdiction of the municipality of Montelibano in the southeastern section of Cordoba Department.

Pursuant to a decree by Mayor Armando Di Ruggiero and his secretary, Francisco Llanos Romero, a day of civic celebration was declared today for Montelibano, which has an urban population of 12,000, most of whom saw a sitting Colombian president for the first time today.

Turbay Ayala, who officiated at the inauguration ceremony of the Cerrromatoso project, was given a symbolic ingot of Colombian nickel processed in the United States.

Project Construction

The construction of the project will take 36 months, with most of the work involving the erection of the plant and the preparation of the mine. Also included are local infrastructure projects (bringing roads and the airport up to requirements, etc) and projects for program personnel and the region in general (housing development and improvements in health care and public services). The program began in July 1979.

The processing capacity of the metallurgical plant will be 120 dry metric tons of mineral per hour. The average annual production for the 25 years of operation anticipated in the study will be 42 million

pounds of nickel (19,000 metric tons) contained in ferronickel with from 35 to 40 percent nickel.

The electric power for the project will be supplied through a 500 kilovolt line that will link the national system with the northern region of the country. The line will pass just a few kilometers from Cerromatoso, and the program for its construction has been coordinated with that of the Cerromatoso project. It will thus have highly reliable and reasonably priced hydroelectric power.

The construction work will be done under an engineering, purchasing and project administration contract with the Bechtel Corporation of San Francisco, California.

Colombian engineering has played a role in the project feasibility project, in several studies on soils, transportation, power supply, etc and will continue to do so in the design of housing, infrastructure and services projects. In addition, the contracts for the construction and assembly of the various components of the project will be executed by Colombian firms.

The following are some approximate figures on Colombian input in the construction of the project:

- 70 percent of the materials
- 100 percent of the contracts for the civil works and the assembly of the infrastructure projects plant
- 100 percent of the contracts for the architecture and urban design of the housing development
- 100 percent of the labor force
- 80 percent of the technical and administrative personnel

The expenditures in Colombian pesos, which total about 45 percent of the project's overall cost, also give an idea of the high level of Colombian input, considering the scope and novelty of the project and the related equipment.

The deposit covers practically all of an oval-shaped hill some 2.5 kilometers long and 1.7 kilometers wide. The layers of extractable ore are up to 100 meters thick. The ore is partly covered by a hard ferruginous crust some 20 meters thick, followed by a soft and amorphous earthy soil known as laterite. The laterite represents an advanced stage of the weathering of the parent rock (peridotite), which gave rise to the deposit and which consists mainly of iron and aluminum oxides at various degrees of hydration, in addition to some silica and very low percentages of magnesium oxide and nickel.

The estimated reserves total 25 million tons of ore a year over 25 years, with an average percentage of nickel of 2.7. The deposit also contains 40 million tons of lower-grade ore that could be profitable in the future.

The total reserves are based on a minimum percentage of nickel of 1.5, with dilution, continuity and other parameters for mining the deposit taken into account.

The annual output of the mine will be close to 900,000 tons of processed ore.

8743

CSO: 3010

COLOMBIA

MINES MINISTER: ENOUGH COAL FOR 1,400 YEARS

Bogota EL SIGLO in Spanish 16 Dec 79 pp 1, 2

[Text] Barrancabermeja, 15 December--Colombia has 7 billion tons of proven coal reserves, which would last 1,400 years at 1979 output levels; 600 million barrels of oil for 10 years; 6.5 trillion cubic feet of natural gas over 75 years, and an undetermined amount of uranium.

Mines Minister Alberto Vasquez Restrepo disclosed the existence of these reserves and said that our coal reserves "are the largest in South America."

He indicated that because of the amount of coal reserves that our country possesses, because of their distribution throughout the nation and because coal is the only fuel that can substitute for oil and gas in appreciable amounts in the short run, it would be the bridge between our current pattern of energy consumption, which is based on non-renewable resources, and our future supplies, which must come mainly from renewable energy sources.

Goals

The Federal Government estimates that the country should be producing 6.5 million tons of coking coal a year by the year 2000, as well as 30 million tons of steam coal. This means that the country will have to boost its current coal production tenfold in just 20 years, which will concurrently generate between \$40 and \$50 billion from exports.

"El Cerrejon" Program

Under the El Cerrejon program, one of our most ambitious coal projects, production is supposed to hit 20 million tons of steam coal a year by the 1990's.

Public investment in the coal sector will be channeled basically into the projects that the Colombian Coal Company, Inc is undertaking in El Cerrejon. Investment will continue until 1986 and is estimated at \$1.2 billion dollars, 35 percent of which will be spent in domestic currency.

The current administration will invest a total of 40.638 billion pesos from 1979 to 1982, including 50 percent of the investments that INTERCOL [expansion unknown] is supposed to make in the northern region.

8743

CSO: 3010

FIRST NATIONAL SEMINAR ON STATE ARBITRATION CONTINUES

Finance Committee Official Speaks

FL171241 Havana Domestic Service in Spanish 1145 GMT 17 Jan 80 FL

[Text] In his speech at the National Seminar on State Arbitration Alberto Arrinda, vice president of the State Committee for Finance, referred to the need for establishing monetary sanctions to eradicate financial indiscipline and also in cases of enterprises which do not sign economic contracts. Arrinda explained to the participants in the seminar the goals and mechanisms of the State Committee for Finance and stated that economic contracts serve as the basis for arbitration. On the system of accounting he said it still suffers from many defects and it is necessary to strengthen the auditing apparatus at all levels.

The vice president of the State Committee for Finance noted that the economic management and planning system lacks arbitration, which is why there are disputes between enterprises and agencies. Arbitration will fill an enormous void, he said, because these topics do not belong in the courts of justice.

Speakers, Reports Noted

FL170154 Havana Domestic Service in Spanish 0000 GMT 17 Jan 80 FL

[Text] The First National Seminar on State Arbitration is continuing to meet at the National School of Economic Management in Havana. This morning Alberto Arrinda, vice president of the State Committee for Finance, spoke on the topic of finances in the development system in planning the economy. Afterwards Narciso Cobo, legal adviser to the Central Planning Board [JUCEPLAN], presented a report entitled "General and Special Conditions of Making Contracts." This afternoon other presentations were made. The seminar will be closed on Friday afternoon by a government official.

CUBA

COMMUNICATIONS MINISTRY FOURTH NATIONAL OPERATIONS MEETING HELD

Working Sessions Continue

FL161857 Havana Domestic Television Service in Spanish 1800 GMT 16 Jan 89 FL

[Text] Working sessions of the Communications Ministry Fourth National Operations Meeting continued this morning under the chairmanship of Guillermo Garcia Frias, member of the party Politburo and minister of transportation, Pedro Guelmes, member of the party Central Committee and minister of communications, Juan Atrel, secretary general of the National Union of Communications Workers, and other officials.

Resolutions of various working committees were debated today. They are concerned with the work being done at post offices and telegraph offices, distribution of the press, telephone services and radio and television transmission services, among other matters.

In a special presentation, Garcia Frias pointed out that a complete study should be made of the services provided by the communications sector. He also urged all directors of enterprises to work on a regulation concerning labor discipline because although this subject always is covered there is no regulation to implement it.

Meeting Concludes

FL171546 Havana Domestic Service in Spanish 1500 GMT 17 Jan 80 FL

[Text] The Fourth National Operations Meeting of the Communications Ministry has concluded with a call for better economic management work at each of the ministry's enterprises, establishment of adequate use of consumption standards, better use of the work day and increased quality of services to the population. The meeting was held for 3 days at the Communications Ministry headquarters.

Guillermo Garcia, vice president of the Council of Ministers and member of the PCC Central Committee Politburo, chaired the closing session.

Important agreements were reached at the meeting, among them, to prepare work regulations immediately--according to the methodology and laws that are enacted--to implement in all branches the procedures to carry out and supervise the policy of being demanding and to insure the permanence of discipline among workers and cadres.

CSO: 3010

REGLA WHEAT SILOS TO STORE 60,000 TONS

Havana JUVENTUD REBELDE in Spanish 29 Oct 79 p 3

[Article by Maritza Barranco]

[Text] The first pre-utilization tests at the wheat mills being constructed in Regla will begin tomorrow. This constitutes materialization of the commitment made by the construction workers to speed up the execution plan by 16 months.

That will be the announcement of a final stage for the assembly and civil construction work, which are still not in the completion phase, for delivery of the project on 5 December 1979, with the firm expectation that this will be the site of the national ceremony of the Day of the Construction Worker.

At that time, the commitment made to Fidel will have been fulfilled, namely, to respond to one of the country's needs and also to become part of the history of these times during which the bases for future development are established and upon which this link with the future is constructed.

In summarizing the work done by this collective, it is worth mentioning some of the background of the project and development of the plant.

The original completion date was planned for 1980, provided construction work was begun in 1976; however, the job started 1 year later than scheduled, without strict continuity, as manpower was channeled to other priority projects.

Fidel's visit in April 1978 set the guidelines for productive effort and, with his precise orientation and open dialog, he instilled the optimistic belief that the project could be completed this year. Then every man rose to the occasion, in the tradition which characterizes construction workers.

Structure of the Plant

The building which identifies the Wheat Mills is located on the coast of the port of Havana. The 36 silos, with 60,000-ton capacity, and the tall, pre-cleansing tower, dominate the architectural complex of which the plant consists.

Projected to cost 25 million pesos, the plant will have two transport cranes which will extract wheat from the holds of ships and carry it to the pre-cleaning tower, where the industrial process will begin.

The wheat in the silos will be entirely clean, and the grain will be classified for subsequent processing, namely the mills, after which comes packaging and finally storing.

The plant will have three production lines, based to the class of flour, which, according to coarseness, will be used in the manufacture of pastas, cakes and bread. In addition, wheat waste will be used in the preparation of cattle feed, which will mean a 5-million-peso saving in foreign exchange for the national economy.

The constant movement of men and equipment characterizes the final stages of a sustained effort. Even at a height of 60 meters, we are able to distinguish the fire helmets under the sun. Everyone is motivated by the same objective: to make this plant a project which because of its quality will be an expression of the future.

8143

CSO: 3010

LATIN AMERICAN MULTINATIONAL FERTILIZER ENTERPRISE SET UP

Havana GRANMA in Spanish 14 Nov 79 p 1

[Article by Fernando Davalos and Reynold Rassi]

[Text] "The Ceremony establishing the enterprise is in itself an expression of the political will and the increasingly close and coherent link among Latin American countries within the framework of international economic and political relations," Marcelo Fernandez Font, Cuban minister of foreign trade, said yesterday at the opening meeting of the Committee for Action on Fertilizers of the Latin American Economic System (SELA) which today will set up its first multinational enterprise.

"For the countries of Latin America, agriculture is the principal sector of their economies and the basis of their food system, from which a large part of our countries' essential revenues are derived. Unfortunately, agricultural activities are still characterized by backward techniques, poor utilization of mechanical and chemical materials, which result in low yields," he pointed out.

The minister of foreign trade indicated that the use of fertilizers in Latin American agriculture results in progressively higher costs of production materials, devaluation of our principal export products and the increasingly unequal interchange which characterize our commercial relations with the developed countries having market economies.

The SELA meeting, which is being held in Convention Hall, is chaired by Knowlson Gift, permanent deputy secretary of the SELA, and Esteban Garaiz, secretary of SELA's Committee for Action on Fertilizers. The meeting is being attended by representatives of member Latin American countries. The Cuban delegation is headed by Ricardo Gabrisas, vice minister of the MINCEX [Ministry of Foreign Trade].

The Latin American Multinational Fertilizer Enterprise (MULTIFERT, S.A.), whose establishment charter will be signed today, is to market an estimated 2 million tons, worth about \$155 million, in 1980.

The new enterprise is owned by public and private stockholders from most of the countries which make up the above-mentioned Action Committee: Bolivia, Costa Rica, Cuba, El Salvador, Guatemala, Guyana, Mexico, Panama, Peru, Trinidad-Tobago and Venezuela.

"By combining a large part of the requirements and available quantities of fertilizers in a single enterprise, it is evident that our negotiating capacity will be greater, with the consequent benefit for foreign sales of these products," Marcelo Fernandez said.

The head of the Cuban MINCEX ended his speech by reiterating the "most cordial welcome to the country of Jose Marti, a man who proclaimed: 'This is the hour to stand up and be counted and for a united march; and we must move forward in close reunion, like the silver in the roots of the Andes.'"

Dr Gustavo R. Gonzalez, Panamanian minister of planning, spoke on behalf of the visiting delegations. He expressed appreciation for Cuban hospitality and praised the purposes which motivated the establishment of the MULTIFERT as a practical way of facing up to the region's most urgent problems.

The Panamanian minister pointed out that the SELA initiative on fertilizers "means productivity, production and a guarantee against misery and hunger in Latin America."

8143

CSO: 3010

CIEGO DE AVILA PRODUCTION DOWN TEN MILLION PESOS

Havana GRANMA in Spanish 13 Nov 79 p 2

[Article by Julio Juan Leandro]

[Text] Ciego de Avila--Production in this province dropped by 10,369,700 pesos in the first 9 months of the year, meeting thus only 95.7 percent of the production goal, according to the central report. The report was discussed at the plenary session on the organization of labor which was held here.

Worker productivity fell by 1.3 percent, while the base pay and the average wage increased by 3.5 and 6.8 percent, respectively. The cost of production per peso was 36 centavos, as opposed to the 33 centavos envisioned in the plan.

During the period in question, only 56 percent of the total number of workers envisioned by the plan were actually incorporated into the system. The shortages were felt in the construction, industrial, service and transportation sectors.

The report indicates that between January and September only 45 percent of the businesses and 59 percent of the workers included in the plan were subject to labor organization measures. These negative results were most notable in the transportation, service and industrial sectors.

In terms of the influence of incorporation in a general sense, the report announced that when workers are paid by their output, that is piecework, they often produce far more than the standards set for them, and there is minimal recourse to the basic workday under this system. The construction and agricultural sectors felt the effects of this phenomenon most strongly.

It was also reported that the number of scheduled hours worked fell 19.3 short of the goal, which means that 272 workers did not work their daily quotas, and that the utilization of human resources is not adequate. This has an effect on the economic management of the territory.

Rafael Valdes, first secretary of the Party in this province, made a special speech requesting that all agencies and workers make a supreme effort to achieve greater efficiency and the correct application of the Economic Management and Planning System.

Regarding the support that the labor movement can provide toward this end, Dimaris Aquino, secretary general of the Central Organization of Cuban Trade Unions (CTC) in this province, made a speech promising such support.

Juan Bringuier, vice-chairman of the State Committee for Labor and Social Security, made mention of the far-reaching critical analysis of the territory's economic problems that is being undertaken.

Concluding remarks were made by Miguel Aguilar, president of the Provincial Assembly of the People's Government and member of the Party politburo on that level. He indicated the urgent need to improve economic efficiency as the only way to develop this territory, one of the most sparsely populated in the country.

The meeting was also chaired by Francisco Herrera, second secretary of the Party in this province.

8426

CSU: 3010

MICONS CONSTRUCTION DOWN SEVEN PERCENT SO FAR THIS YEAR

Havana GRANMA in Spanish 12 Nov 79 p 1

[Article by Jose Gabriel Guma]

[Text] The Construction Ministry's annual plan has resulted in current production levels amounting to 1,071,400,000 pesos in its enterprises.

This figure is approximately 93 percent of the accumulated plan, and reflects a 1 percent growth rate over last year's level.

Of this production volume, 209 million pesos represent industrial projects. In the industrial program there has been a 6 percent increase over last year's figure. This year 27 industrial projects have been completed.

In addition, 110 million pesos correspond to educational projects, and 65 of those projects are already completed. Another 50 million pesos correspond to agricultural projects, of which 115 have been completed in the last 10 months.

The overall figure of 1,071,400,000 pesos also includes 102 million pesos in housing projects. So far this year 7,900 homes have been finished.

Social and health projects amounted to 71 million and 35 million pesos, respectively. Of the 27 projects completed, there are polyclinics, dental clinics, rest homes, sports complexes, cultural auditoriums, etc.

Engineering projects were valued at 254 million pesos. The water storage capacity was increased by 200 million cubic meters; 38,968 hectares were placed under irrigation, and 361 kilometers of roads and highways were paved.

In the last quarter of this year, the highest number of projects will be completed, according to the Construction Ministry.

The most serious problems the ministry is facing, as was reported at a recent meeting of the National Construction Workers Union, are the high rate of absenteeism and the poor use of the workday, the slow pace of work and delays in shipments of supplies from abroad.

The list of problems also included foreign consultation programs that are still in the works, a shortage of construction materials, a shortage of manpower in some provinces, inadequate production levels in plants producing inputs for manufacturing, failure to use equipment the minimum amount of time, a lack of trained personnel, and poor organization of projects.

8926

CSO: 3010

USE OF SUGARCANE FOR CATTLEFEED INSTEAD OF SUGAR

Havana JUVENTUD REBELDE in Spanish 13 Nov 79 p 1

[Article by Luis Hernandez Serrano]

[Text] "Our current use of the potential of sugarcane is certainly limited, and we must strive, as Che said, to make sugar just one of the byproducts of the valuable wealth we can extract from this plant."

This was stated by Tirso W. Saenz, first vice-president of the Cuban Academy of Sciences, when he opened the Fourth Scientific and Technical Conference of the Cuban Sugar Research Institute (ICINAZ). It will meet until Friday in the Jose Antonio Echeverria Workers' Social Club in this capital city.

Six hundred people participated in the activity, including about 150 researchers and more than 400 workers from the Pablo Noriega plant, an experimental unit of the above-mentioned Institute of the Ministry of the Sugar Industry. Seventy technical papers were read in the fields of agricultural industry, processing, equipment, automation, sugar chemistry, pollution, instrumental analysis, corrosion, refining and thermal energy.

"Sugarcane," said Tirso W. Saenz, "must be more than sugar, bagasse and rum for us; it must be a strong pillar for our nation's food supply, by ensuring substantial supplies of feed for our livestock."

He pointed out that sugarcane must also promote the development of a national chemical industry, based on cellulose and furan, which will in turn provide the basis for a fermentation industry and the production of a wide range of products.

He explained that in order to achieve this goal, the entire agricultural and industrial technology revolving around sugarcane must undergo tremendous qualitative transformations, both in their make-up and their procedures.

Among the most important results of experimental practices introduced by the ICINAZ the last few years are: continuous crystallization of "C" massecuites, the development of blades for the processing of cane harvested

by combines or manually in harvesting areas, the production of direct white sugar, and the development of methods to attain high cellular rupture and cane preparation.

He maintained that ICINAZ researchers have an opportunity to become better acquainted with the workers, to learn from their aggressiveness, their vigor, their stubbornness; while at the same time, the workers have an opportunity to improve their qualifications and broaden their horizons of knowledge.

"The researcher is not a privileged person with a white coat who is most comfortable in his laboratory, nor is the worker an inferior being who mechanically carries out the instructions he is given: each one plays an important role in society," he stressed.

8926

C30: 3010

JUNIOR HIGH FARM SCHOOL FOR 600 CONGOLESE ON YOUTH ISLE

Havana GRANMA in Spanish 13 Nov 79 p 2

[Article by Lucas Correoso Perez]

[Text] Nueva Gerona--A beautiful Basic Secondary Farm School (ESBEC) where nearly 600 young Congolese students will complete their studies was opened near the community called "Argelia Libre" [Free Algeria], more than 30 kilometers from this city on the Isle of Youth.

Jose Luis Reyes, sectorial director of education, officially opened the institution and welcomed the faculty and student body. He also reported that there are now more than 50 of this type of school in Cuba, where approximately 30,000 teenagers from Cuba, Africa and Nicaragua are studying. Soon youths from Sao Tome, Principe and Guinea Bissau will arrive as well.

Luis Mboko, political adviser of the People's Republic of the Congo embassy, stated that in this healthy and revolutionary environment of study and work, the Congolese youths will find the stimulus and the ideal conditions they need to develop a consciousness as producers, intimately linked to the interests of the proletariat and the people of their country.

At the end of the brief ceremony, the students presented various artistic and cultural activities.

Present were the Congolese ambassador to Cuba, Vital Valla; Pelegrin Torras, vice-minister of foreign relations; Rene Leon, vice-minister of education; Agustin Lopez and Victor Garcia, members of the executive politburo of the Party here; Roberto Sanchez, president of the local branch of the Cuban-African Society and also a member of the Party executive politburo; and representatives of the political and mass organizations, and other guests.

8926

CSO: 3010

BRIEFS

RISQUET'S NUEVITAS VISIT--Party Secretariat member Jorge Risquet Valdes has visited the port installations and cement plant of Nuevitas where he held talks with the workers. During his visit of the port, Risquet spoke with workers who recalled the painful situation they experienced under capitalism and reaffirmed their determination to continue to make an intensive effort so that the port again can be a millionaire [loading and unloading tonnage] in 1980. The Secretariat member also spoke with members of Brigade No 16 who at that time were loading a ship with citrus for export. [Havana Domestic Service in Spanish 1100 GMT 8 Jan 80 FL]

NEW DRYDOCK--A new Soviet floating drydock with a hoisting capacity of 4,500 tons has entered into operations at the Havana port area with the complete repair of the Emiliano Diaz freighter belonging to the Caribe Navigation Enterprise. The drydock, 100 meters long, increases the capacity of repair of Cuban and foreign ships which represents a considerable foreign exchange savings. [Havana Domestic Service in Spanish 1100 GMT 8 Jan 80 FL]

NEW PREFABRICATED ELEMENTS PLANT--A prefabricated housing elements plant, the third in this country of the IMS [Serbian Materials Institute] type, has begun operations in San Jose de las Lajas, Havana Province. The modern plant of Yugoslav technology was built at a cost of more than 3.5 million pesos and has an annual production capacity of 1,500 apartments. The principal characteristic of the plan is that it is totally automated; therefore, its more than 300 workers will do minimum physical efforts. The plant also guarantees faster construction of buildings with better quality and beauty. For the time being, part of its production will be used for expansion of the Alamar housing project in Havana. [Havana Domestic Service in Spanish 1200 GMT 9 Jan 80 FL]

CIENFUEGOS PARTY ACTION--Cienfuegos' provincial party bureau has congratulated the workers of the Escambray dairy complex in a ceremony held to celebrate the outstanding production achievement in 1979. Humberto Miguel Fernandez, first party secretary in Cienfuegos Province, stated that the productive successes and enthusiasm in that work center are

good indications of the love of work and production center felt by the workers. That center attained the highest production ever when it produced 3,478,000 gallons of ice cream and 504 metric tons of cheese of various types and at the same time reduced the cost per weight by 1.1 percent. [Text] [Havana Domestic Service in Spanish 0000 GMT 9 Jan 80 FL]

DEATH OF REVOLUTIONARY--The funeral service for Comrade (Elba) Frias Gallardo, prominent revolutionary combatant and mother of Guillermo Garcia Frias, member of the PCC Politburo, was held this morning at the Pantheon of the Revolutionary Armed Forces [FAR] in Colon Cemetery. The funeral carriage was accompanied to the cemetery by Army Gen Raul Castro Ruz, second secretary of the PCC, members of the PCC Politburo Secretariat and Central Committee and comrades, family members and friends of the prominent revolutionary combatant. The funeral oration was made by Faustino Perez, member of the Central Committee, who pointed out the active participation of (Elba) Frias Gallardo and her whole family in support of the rebel army from the difficult days of Alegria del Pio through the final victory of January 1959. [Excerpt] [Havana Domestic Service in Spanish 1912 GMT 14 Jan 80 FL]

SANTIAGO INFANT MORTALITY--Last year Santiago de Cuba Province obtained an infant mortality rate below 20 per 1,000 live births and in this way fulfilled the agreement reached at the party first congress. Dr Guillermo (Bayan), deputy director of medical and social assistance, has reported that there were 57 fewer deaths and that the infant mortality rate decreased by four points in relation to 1978, when the rate was 23.4. Prominent among the municipalities are Contramaestre, Segundo Frente and San Luis all with rates below the provincial average. It was also reported that in the individual sector the pediatric hospital of Palma Soriano stands out, because since October not a single death has been recorded. [Text] [FL152007 Havana Domestic Service in Spanish 1928 GMT 15 Jan 80 FL]

CIENFUEGOS CONSTRUCTION SITES--During his tour of Cienfuegos PCC Central Committee Secretariat member Jorge Risquet Valdes asked about the problems affecting some of the projects under construction in the province. These construction projects are due to be completed this year. At the cement plant under construction in the province's capital the party leader was extensively briefed on the efforts being made by the workers to deliver the first operating section of the plant by February. Jorge Risquet visited the glucose factory where he expressed interest on the possibilities of completing it by mid-1980. [Text] [FL161134 Havana Domestic Service in Spanish 1100 GMT 16 Jan 80 FL]

BUTCHER SHOP CHEATING--Between 6 and 7 November, the Ministry of Domestic Trade, in cooperation with the Sectorial Trade Office of the People's Government and the Economic Police of Havana, undertook an inspection of 38 butcheries in the municipalities of Plaza de la Revolucion, Cuanabacoa, San Miguel, Diez de Octubre and La Habana del Este. They found criminal violations in 21 of these shops. During the inspections, many irregularities were discovered. Most of them directly affect the public, in that the butchers have failed to obey the consumer laws that are in force. Among the provisions violated were: Delivery of less than the per capita quota of meat due to each consumer; conversion of grade B meat into grade A, so that consumers have to pay grade A prices; and charging prices higher than those officially established for meat. In each of these cases the culprits were held to answer in the courts; some of them have already been punished, while others will be in the next few hours. These inspections will continue to take place in the other districts of Havana and other provinces of the country, and the public will be informed of the results. [Text] [Havana JUVENTUD REBELDE in Spanish 13 Nov 79 p 1] 8926

CSO: 3010

VAT TAKES EFFECT ON 1 JANUARY 1980

Text of New VAT Law

Mexico City EXCELSIOR in Spanish 20 Dec 79 Sec A pp 30-31

[Text] Regulations for the Value Added Tax Law

Chapter I

General Provisions

Article 1. In all instances wherein these regulations refer to the law, it will be interpreted to mean the Value Added Tax Law. When mention is made of the tax, it will be the one established by the aforementioned law.

Article 2. Every demand or petition submitted to the tax authorities must be signed by the party concerned, or by someone legally authorized to do so; and this will be done by filling out the forms approved for this purpose by the Secretariat of Finance and Public Credit. In the event that there are no approved forms in existence, the document that is prepared must at least contain:

- I. Name, firm or trade name and domicile for tax purposes, as entered in the federal register of taxpayers, and the code assigned to it in that register.
- II. Domicile for hearing and receiving notices, and person authorized to receive them, if need be.

The aforementioned documents must be submitted in the number of copies stipulated on the official form or, in the absence of this, in duplicate form, to the competent authority.

Article 3. For purposes of the law, company is to be defined as the natural or juristic person, or economic unit, which engages in commercial, industrial, agricultural, livestock raising or fishing activities, under the terms of Article 16 of the Income Tax Law.

Article 4. For the purposes of Article 1 of the law, when the total value of the act or activity for which the tax must be paid amounts to as much as 100 pesos, its transfer may be made without filing the document wherein this is expressly and separately recorded, unless the purchaser, the one rendering the service or the one temporarily using or in possession of the asset so petitions. In such acts or activities, the tax will be considered included in the price.

Taxpayers who are included in the contingency cited in the foregoing paragraph will make the total daily billing stipulated in Article 78 of the Regulations for the Income Tax Law for acts or activities wherein no express and separate record has been made of the tax that is being transferred.

Taxpayers who pay a value added tax based on estimates made by the tax authorities according to the terms of Article 35 of the law, may, without filing the document wherein express and separate record is made, transfer it, whatever the value of the act or activity involved may be; unless the purchaser of the goods or the user of the service so petitions. Such taxpayers will not be required to prepare the total daily billing cited in the foregoing paragraph.

Article 5. For the purposes of Article 2 of the law, taxpayers with one or several establishments in the border strips or free zones are considered residents of those strips or zones insofar as the acts or activities which they carry out in those establishments are concerned. The terms of this paragraph also apply to the agents for consignment of goods or other persons who engage in such acts or activities in the aforementioned strips or zones through the auspices of commission merchants or persons acting on another's behalf established in the aforementioned locations.

In the case of the services mentioned in Section III of Article 14 of the law, the insurance or bonding institutions and their agents with one or several establishments in the border strips or free zones are considered residents of those strips or zones insofar as the contracts concluded through those establishments are concerned.

Article 6. For the purposes of Article 2 of the law, the following are considered the location in which the services cited in Section III, Article 14, of the law are rendered:

1. In the case of insurance, the domicile for tax purposes of the owner of the insured assets. When the latter has establishments within and outside of the border strips or free zones mentioned in Article 2 as cited, the site on which each establishment that is insured is located. The same rule will be followed in the case of assets located within the insured establishments if they are also covered by insurance. For the vehicles owned by the insured which are used in the service of a certain establishment, it will be the site on which that establishment is located.

II. In the case of bonding, the domicile for tax purposes of the beneficiary. When the beneficiary is an authority, the site on which the bonding is offered.

III. In the case of reinsurance and rebonding, the domicile for tax purposes of the persons requesting the service.

Article 7. For the purposes of Section I, Article 4, of the law, the tax transferred in purchases of automobiles is considered creditable in the proportion wherein the outlays that have been made are deductible for income tax purposes.

Article 8. For the tax referred to in Section II, Article 4, of the law to be creditable, the documentation must meet the requirements established in the Regulations for the Income Tax Law.

In the case of taxpayers of the value added tax who are not payers of the income tax, the documentation must meet the following requirements:

I. Name, domicile and federal register of taxpayers number of the seller or the renderer of the service.

II. Name and domicile of the purchaser or user of the service.

III. Date of execution of the act or activity.

IV. Amount and type of goods sold, or description of the service received; and,

V. Unit price, amount and total value.

In the case of the sale of real estate, a record thereof must be made in a public document stating that the tax has been expressly transferred to the taxpayer, and separately from the value of the asset.

Article 9. For the purposes of this tax, net value will be considered to be that resulting from deducting from the value of the acts or activities for which the tax must be paid the amount of the discounts, rebates and allowances, according to the terms of Article 7 of the law.

Article 10. To determine the monthly payment cited in Article 5 of the law, the rates of 10 or 6 percent will be applied, as the case may be, to the net value associated with the acts or activities executed during the month as a result of the sale of goods, the rendering of services, the granting of the temporary use or possession of goods and the importing of goods and services, excluding those for which taxes have been paid in customs. The tax to be accredited that month will be deducted from the result. When, in the monthly statement involved, this deduction is not made, it may be

made in the statement for the following month and, in default thereof, only until the statement for the fiscal year has been submitted.

The tax determined in this way may be compensated with balances yet to be accredited, originating in previous months or the immediately prior fiscal year.

Article 11. To determine the tax to be accredited for the month, the tax that has been transferred to the taxpayer will be added to the one paid on the occasion of the importing of goods and services in the same month, provided they meet the requirements stipulated in Article 4 of the law.

When the taxpayer is obliged to pay the single tax on part of his activities, he will be required to identify the part of his expenses and investments for the month made to engage in those activities, as well as those which were made to sell products used for human nutrition, and those associated with Articles 13 and 30 of the law; and the tax that has been transferred to him, and any one that he has paid on his imports in connection with that part of his expenses and investments, will be considered an accreditable tax.

If the taxpayer cannot identify all his expenses and investments for the month made in the foregoing paragraph, in order to determine the tax to be accredited for the month, he will proceed as follows:

I. He will calculate any tax that has been transferred to him, and any one that he has paid on imports associated with the part of his expenses and investments identified as having been made to engage in his activities on which he must pay the tax, as well as those which were executed to sell products used for human nutrition for which he is not required to pay the tax, and those cited in Articles 13 and 30 of the law.

II. He will calculate any tax that has been transferred to him, and any one that he has paid on imports associated with the part of his expenses and investments identified as having been made to engage in his activities on which he need not pay the tax, except for those made to sell products used for human nutrition and those cited in Articles 13 and 30 of the law.

III. He will deduct from the total tax transferred to him and any one paid on imports the tax cited in the foregoing sections; and, to the result, he will apply the factor resulting from the division of the value of his activities on which he must pay the tax, added to the value of the sales of products used for human nutrition on which he need not pay the tax, and that of those cited in Articles 13 and 30 of the law, by the value of all those executed during the month, with the exception of those cited in Article 14 of these Regulations. This result, added to that in Section I, will be the tax to be accredited for the month.

Article 12. To determine the tax for the fiscal year cited in Article 5 of the law, the rates of 10 and 6 percent will be applied, as the case may be, to the net value of the acts or activities executed during the fiscal year as a result of the sale of goods, the rendering of services, the granting of temporary use or possession of goods and the importing of goods and services, excluding those for which taxes have been paid in customs. The tax to be accredited for the fiscal year will be deducted from the result.

The monthly payments established in accordance with Article 10 of these Regulations will be deducted from the tax for the fiscal year. When there is a favorable balance in any of the monthly payments, it will be subtracted from the pertinent monthly balances due.

Article 13. To determine the tax to be accredited for the fiscal year, any tax that has been transferred to the taxpayer will be added to any one paid in connection with the importing of goods or services during the same fiscal year, provided they meet the requirements stipulated in Article 4 of the law.

When the taxpayer is obliged to pay the tax on only part of his activities, he will be required to identify the part of his expenses and investments for the fiscal year that were made to engage in those activities, as well as those made to sell products used for human nutrition, and those cited in Articles 13 and 30 of the law; and the tax to be accredited for the fiscal year will be considered to be that which was transferred and that paid on his imports associated with that part of his expenses and investments.

If the taxpayer cannot identify all his expenses and investments for the fiscal year made to engage in activities on which he must pay the tax, as well as those made to sell products used for human nutrition, and those cited in Articles 13 and 30 of the law, in order to determine the tax to be accredited for the fiscal year, he will proceed as follows:

I. He will calculate any tax that has been transferred to him, and any one that he has paid on imports associated with the part of his expenses and investments identified as having been made to engage in his activities on which he must pay the tax, as well as those which were executed to sell products used for human nutrition for which he is not required to pay the tax, and those cited in Articles 13 and 30 of the law.

II. He will calculate any tax that has been transferred to him, and any one that he has paid on imports associated with the part of his expenses and investments identified as having been made to engage in his activities on which he must not pay the tax, except for those made to sell products used for human nutrition and those cited in Articles 13 and 30 of the law.

III. He will deduct from the total tax transferred to him and any one paid on imports the tax cited in the foregoing sections; and, to the result,

he will apply the factor resulting from the division of the value of his activities on which he must pay the tax, added to the value of the sales of products used for human nutrition and those cited in Articles 13 and 30 of the law, by the value of all those executed during the fiscal year, with the exception of those cited in Article 14 of these Regulations. This result, added to that in Section I, will be the tax to be accredited for the fiscal year.

Article 14. In calculating the factors cited in Article 11, Section III, and Article 13, Section III, of these Regulations, the value of the following acts or activities will not be included:

- I. The sale of land, or the granting of temporary use or possession thereof.
- II. The sale of interest in limited liability companies and credit instruments, with the exception of certificates of deposit of assets.
- III. The dividends paid in currency for interest in limited liability companies or credit instruments, with the exception of certificates of deposit of assets.

Article 15. Whenever supplementary declarations are made to correct errors in the declarations cited in Article 5 of the law, by virtue of which there are balances yet to be accredited, or an increase in those which had been declared, the taxpayer may proceed as follows:

- I. When monthly declarations are involved, and that for the fiscal year has not been submitted, the favorable balance or increase therein may be accredited in the monthly declaration following the day on which the supplementary one is submitted, without the need for correcting the other declarations.
- II. When a correction is being made in a declaration for the fiscal year, the taxpayer may choose to request a refund, or to have the credit carried forward in the monthly declaration following the day on which the supplementary declaration is submitted.

When the net value of the acts or activities for which the tax must be paid in the fiscal year exceeds the amount declared for the months comprising that fiscal year, supplementary declarations must be submitted for the month of months to which the differences pertain.

Article 16. A refund will be in order of the monthly balances yet to be accredited for the investment plans cited in Article 6 of the law when it has been proven that the purchase of goods was made to comprise part of the taxpayer's capital assets. In this instance, refunds will be made of the amounts transferred and the tax paid on imports, until the balance yet to be accredited in the declaration has been depleted. Such a refund will not be in

order when the balances yet to be accredited pertain to months subsequent to that in which the capital assets were purchased, unless the taxpayer can prove that he has balances yet to be accredited in all the declarations subsequent to the one in connection with which he is requesting the refund.

By virtue of provisions of a general nature, the Secretariat of Finance and Public Credit may consider other items as investment plans.

Individuals who make investments of capital assets during preoperative periods may, after having notified the tax authorities in advance, estimate the purpose of their expenses and investments according to the terms of Articles 11 and 13 of these Regulations, and request the refund of the balances yet to be accredited which are cited in this article.

Article 17. For the purposes of Article 7 of the law, the taxpayer who receives a return of sold goods, or who receives discounts or allowances, must issue a credit memorandum in which there is an express record that he paid off or refunded the transferred tax, as the case may be, before making the deduction.

A credit memorandum will also be issued in instances wherein the tax had not been paid previously, except when discounts granted in the document recording the operation are involved.

Article 18. Any taxpayer who receives the discount or allowance, or who is returned the sold goods cited in Article 7 of the law, and who did not have any tax yet to be accredited from which to deduct the paid off or refunded tax, will pay it upon submitting the monthly declaration relating to the month in which he received the discount or allowance, or made the return.

Chapter II

On Sale

Article 19. The tax cited in Section I, Article 8, of the law will not be paid on the donations made by business firms for promotional or advertising purposes, provided they are deductible according to the terms of the Income Tax Law.

Article 20. The tax on shortages of goods in the inventories of business firms cited in Section V, Article 8, of the law will not be paid when they are deductible for purposes of the income tax, and consist of depreciation, authorized destruction of merchandise or shortages of goods resulting from chance or force majeure.

Article 21. For the purposes of Section II of Article 9 of the law, a structure attached to the land is considered to be used as a dwelling house if it was used for this purpose at least 2 years immediately prior to the date of sale.

In the case of new structures, heed will be taken of the purpose for which they were built, considering the construction licenses or permits or, in the absence thereof, the specifications governing the property.

Any structure not meeting the requirements cited in the foregoing paragraph will be considered to be used as a dwelling house if, in its sale, it is agreed that the purchaser will use it for that purpose, provided that there is a guarantee of the tax that was involved and that notice is given of the sale in question to the same offices that are authorized to receive the statements on this tax, with the exception of those of credit institutions. The tax authorities will give permission for the cancellation of the guarantee when the property has been used as a dwelling house for over 6 months reckoned from the date on which the purchaser received it.

Article 22. For the purposes of Article 9 of the law, it is considered that:

I. Cotton is not processed when it is ginned, nor is corn when it is sold as nixtamal [corn prepared for making tortillas].

II. Cookies and cake are bread.

III. The forms of natural milk cited in Section VI of the article in question include pasteurized, homogenized, condensed, evaporated, dehydrated, rehydrated, canned or powdered milk, as well as mother's milk.

IV. The salt cited in Section VIII of this law is only sodium chloride.

V. The provisions established in Section XIV of the article in question include the prizes received in connection with scientific, literary or artistic competitions open to the public in general, or to any professional activity in particular.

VI. The sale of stock and the dividends paid on stock are included in Section XVI.

Article 23. By means of provisions of a general nature, the Secretariat of Finance and Credit will indicate the agricultural or livestock raising machinery and equipment cited in Section XII, Article 9, of the law.

Article 24. The registry of assets cited in Article 10 of the law is that established by Article 7 of the Law on Federal Registry of Vehicles.

Article 25. For the purposes of Article 12 of the law, the tax involved in the sales wherein interests have been agreed upon may be deferred, and the number of months agreed upon will be considered in the percent that results on the following table:

Number of months agreed upon after the sale	Percent applicable to the tax
1	2
2	3
3	4
4	5
5	6
6	7
7	8
8	9
9	10
10	11
12	12
14	14
16	16
18	17
20	19
22	20
24	22
26	23
28	24
30	26
32	27
34	28
36	30
38	31
40	32
42	33
44	34
46	35
48	37
50	38
52	39
54	40
56	41
58	42
60	43
Over 60	45

In the case of the contracts cited in Paragraph h, Section VI, Article 19, of the Income Tax Law, the percentage cited by that law to determine the purchase cost will be applied to the tax relating to the transaction, and the difference will be the tax, which may be deferred.

The deferred tax will be paid monthly in the amount resulting from dividing it between the number of months agreed upon, even when advance payments are made. The interest which has failed to be paid in connection with such payments will be deducted in the following monthly declaration or declarations from the value of the acts or activities for which the tax must be paid, and will be considered discounts or allowances.

Article 26. The appraisals cited in Articles 12 and 34 of the law must be made by an individual authorized by the Secretariat of Finance and Public Credit. Such appraisals will be used for the purposes of this tax for 6 months reckoned from the date on which they are made, provided that, during this interval, no construction, installations or permanent betterments have been made on the asset in question.

Article 27. For the purposes of Article 13 of the law, the first sale will be considered to be the one made by the manufacturer; and, in the case of imports, the one made by the importer.

Chapter III

On the Rendering of Services

Article 28. The commission merchant will transfer the tax to be borne by the client, applying to the value of the acts or activities for which the tax must be paid the rate of 10 or 6 percent, depending on what is fitting according to the terms of Article 5 of these Regulations. The client will consider himself responsible for the tax pertaining to the acts or activities executed by his commission merchant, without deducting the amount of the commission nor the reimbursements for expenditures made on his own account or other items.

The commission merchant will consider himself responsible and will transfer to the client the tax related to the commission agreed upon, including the expenditures made in his name and charged to the client.

The commission merchant who, for income tax purposes, may make provisional payments on that tax by means of withholding, may, with prior authorization from the Secretariat of Finance and Public Credit, pay the value added tax by means of a withholding made for him by his client. In this case, the commission merchant is released, on account of the commission that he receives, from submitting declarations and from keeping books and records; and he make no accreditation. The client will consider the withheld tax a tax transferred to him, and will accredit it appropriately. The request for authorization will be made by the client, after having previously obtained the consent of his commission merchant.

Article 29. For the purposes of Section I, Article 14, of the law, the lump-sum building contract or contract through administration is interpreted as being a rendering of services. If the services are rendered by a business firm, the tax will be levied on it, and will be transferred to the owner of the building. The latter, in turn, will accredit the tax pertaining to that compensation and the expenditures made to his account.

Article 30. The supply of electric power used in pumping or irrigation for agricultural or livestock raising purposes is included in the services cited in Section VI, Article 15, of the law.

Article 31. For the purposes of Section IX of Article 15 of the law, life insurance is considered to be that which has as the basis of the contract any risks that might affect the existence of the individual insured, as well as the additional benefits based on health or personal accident that are included in standard life insurance policies.

Article 32. The Secretariat of Finance and Public Credit will publish the lists of services of a professional nature the rendering of which requires a license according to law, based on the stipulations contained in Section XIV, Article 15, of the law.

When the professional service is among those cited in the lists given in the foregoing paragraph, the tax for the rendering of services related to that profession will not be paid, even when the professional person need not advertise himself as such in order to engage in the specific activity, or when the one providing the service does not have a license.

Article 33. For the purposes of the third paragraph of Article 16 of the law, Mexican towns on the country's borders will be defined as those included within the 20-kilometer strip of border parallel to the international dividing lines.

Article 34. For the purposes of Article 18 of the law, taxpayers who offer in a single contract several different tourist services for a preestablished individual price and a certain period of time, must separate the value of the air transport services and those rendered in the country from the value of those rendered abroad.

Chapter IV

On the Temporary Use or Possession of Goods

Article 35. For the purposes of Section II of Article 20 of the law, when the temporary use or possession of a real estate property to be used as a dwelling house has been granted, and it is provided furnished, the tax for the total compensation will be paid, even when different contracts are concluded for the furnishings and the real estate.

The dwelling house will not be considered furnished when it is provided with kitchen or bathroom furnishings, or those permanently attached to the structure, or those stipulated by the Secretariat of Finance and Public Credit, through provisions of a general nature.

Article 36. For the purposes of Article 23 of the law, the amount of the compensation for the granting of temporary use or possession of structures is determined by deducting from the compensation agreed upon for the total real estate property the part related to the land and, if need be, the part to be used as a dwelling house.

The tax authorities will be empowered to appraise the property so as to determine the proportion of the total value of the property represented by the part related to the structures which are not used as dwelling houses.

In paying the tax, the taxpayers may consider 80 percent of the compensation agreed upon for the total property to relate to the granting of the use or possession of the structures not utilized for dwelling places.

Chapter V

On Imports of Goods and Services

Article 37. For the purposes of Section V of Article 24 of the law, the utilization on national territory of services rendered by non-residents thereof includes both those rendered from abroad and those rendered in the country.

Article 38. When services are imported the rendering of which in the country does not result in the payment of the tax according to the terms of Article 15 of the law, the importing of such services is not considered to cause the payment of the tax either.

Article 39. Those who reside in the Mexican towns on the country's borders will not pay the tax on imports of items of prime necessity, according to the terms of Article 285 of the Customs Code.

Article 40. The tax on imports of services rendered abroad by commission merchants and middlemen who are not residents of the country will not be paid when their purpose is to export goods and services.

Article 41. In order to determine the value on which the rate of the value added tax will be applied to the imports of tangible goods cited in Article 27 of the law, the taxes actually paid at the time of the importing will be considered.

When the taxpayer is dissatisfied with the tariff classification of the imported goods, the value added tax will be paid, taking into account the amount of the general import tax resulting from the information supplied by the taxpayer himself, and the difference in tax which may result from the classification will be paid by the latter until this disagreement has been settled by the administrative authority.

Article 42. The Secretariat of Finance and Public Credit may authorize the non-payment of the import tax on tangible goods, provided that it is subject to accreditation and that its refund is in order according to the terms of Article 16 of these Regulations relating to investment plans.

Chapter VI

On Exports of Goods and Services

Article 43. Exports of goods and services other than those cited in Article 29 of the law will not cause the refund of taxes mentioned in Article 30 of the law.

Nor will such a refund be in order when the balances yet to be accredited relate to months following the one in which the commercial invoice for export purposes was issued, unless the taxpayer can prove that he has balances yet to be accredited in all the declarations subsequent to the one regarding which he is requesting a refund.

Article 44. The utilization abroad of services rendered by persons residing in the country cited in Section IV, Article 29, of the law includes both those rendered from national territory and those rendered abroad.

Article 45. For the purposes of Article 31 of the law, a commercial invoice is considered to be one issued for this purpose in accordance with the terms of the Customs Code, and it must meet the requirements stipulated in Article 8 of these Regulations.

Chapter VI

On the Obligations of Taxpayers

Article 46. For the purposes of Article 32 of the law, payers of the value added tax will keep the account books and records that are incumbent on them for income tax purposes. When the taxpayer is not subject to the latter tax, he will keep as a minimum daybooks, ledgers, and books containing all inventories and balance sheets, duly authorized.

In the separation of the acts or activities on which the tax must be paid from those for which the law exempts from payment, a determination will be made of the value of those subject to the 6 percent rate and those subject to the 10 percent rate, as well as the sales of products used for human nutrition and those cited in Articles 12 and 30 of the law. In the total daily billing cited in Article 4 of these Regulations, the same separations mentioned in this paragraph must be made, indicating the amount of the tax that is in order.

For accreditation purposes, the taxpayers will record the pertinent tax separately, as follows:

1. Any one that has been transferred to them and any one that they have paid on imports, related to the part of their expenses and investments identified as having been made to engage in their activities for which

the tax must be paid, as well as those sales of products used for human nutrition on which no tax need be paid, and those cited in Articles 13 and 30 of the law.

II. Any one that has been transferred to them, and any one that they have paid on imports, related to the part of their expenses and investments identified as having been made to engage in their activities for which they need not pay the tax, with the exception of those sales of products used for human nutrition, and those cited in Articles 13 and 30 of the law.

III. Any one that has been transferred to them, and any one that they have paid on imports, related to the part of their expenses and investments which they cannot identify in the terms of the foregoing sections.

They will also keep records of the discounts, allowances or refunds that the taxpayer grants or receives, and of the tax that has been paid or refunded, as the case may be.

Article 47. To calculate the participation in the federative entities cited in the Tax Coordination Law, taxpayers who have establishments in two or more federative entities will record separately in their accounts, based on federative entities and in accordance with the pertinent rates, the value of the acts or activities for which they must pay the tax as a result of the sales of goods, the rendering of independent services and the granting of temporary use or possession of goods.

In the case of the tax to be accredited, they will not make the separation based on federative entity.

Establishment is defined as the fixed location on which the acts or activities cited in Sections I, II and III of Article 1 of the Law are carried out, in accordance with the following rules:

I. In the case of the sale and granting of the temporary use or possession of personal property, the establishment which makes the material delivery thereof. If those acts or activities relate to real estate property, the location on which the latter is situated.

II. In the case of the rendering of independent services:

a. The establishment from which the services are rendered. When the service is rendered by two establishments, the one which makes the charge.

b. In real estate construction, the site on which it is being constructed.

c. In insurance, the domicile for tax purposes of the owner of the insured goods. When the latter is a business firm, and has establishments in two

or more federative entities, the site on which each establishment that is insured is located. The same rule will be followed in the case of the goods located inside of the insured establishments, if they are covered by the insurance as well. For the vehicles used in the service of a particular establishment, it will be the site on which that establishment is located.

d. In bonding, the domicile for tax purposes of the beneficiary. When the beneficiary is an authority, the location on which the bonding is offered.

e. In reinsurance and rebonding, the domicile for tax purposes of the person requesting the service.

III. In the case of sale of personal property, the rendering of services or the granting of temporary use or possession of personal property, through commission merchants who make the material delivery or render the service in their establishment, the client will consider that establishment to be his own.

In the absence of a fixed location on which the aforementioned acts or activities take place, the dwelling house of the taxpayer will be considered an establishment.

For the purposes of this article, the material delivery of goods is considered to be the act whereby the seller, or the one granting the temporary use or possession, places the good involved in the transaction at the material disposal of the purchaser, or the one being granted the temporary use or possession.

Article 48. Without detriment to the provisions of the final paragraph of Article 32 of the law, the natural and juridical persons, or economic units that do not reside in the country, and do not have a representative on the national territory, may appoint one only to submit declarations, notices, demands or petitions in its name.

Article 49. The Federation, the federative entities, and the municipalities, as well as their decentralized agencies, may comply with the obligations stipulated in the law and these Regulations, considering each administrative unit that engages in acts or activities for which the tax must be paid as a separate taxpayer.

Article 50. The taxpayer who, for income tax purposes, is able to prove the value of his acts or activities with audit tapes from cash registers may also do so for purposes of the value added tax, provided he supplies the documentation that meets the requirements stipulated for this purpose by the law and these Regulations at the request of the purchaser, the recipient of the service or the one making temporary use of, or possessing the good.

The authorization cited in the Regulations for the Income Tax Law, consisting of exemption from the obligation to keep the audit tapes when the respective summaries are kept, will also apply to this tax.

Chapter VIII

On the Powers of the Authorities

Article 51. The amounts to be accredited which must be proven according to the terms of the last paragraph of Article 39 of the law will be those relating exclusively to the fiscal year involved, and provided that the documentation in which they are recorded meets the requirements stipulated in Article 8 of these Regulations.

Article 52. The percentage of gross profit cited in Article 40 of the law will be obtained by dividing the declared gross profit by the declared cost, in instances wherein the declaration has been submitted for income tax purposes.

Temporary Provisions

First article. These Regulations will go into effect throughout the entire republic on 1 January 1980.

Second article. Payers of the value added tax who, during 1980, close their fiscal year for purposes of the tax on income for the total receipts of business firms before 31 December of that year will submit their annual declaration together with the one related to that tax, considering only the acts or activities executed between 1 January of that year and the close of the aforementioned fiscal year.

Third article. Natural persons who sell goods or render services, when they are minor taxpayers in accordance with the Income Tax Law and no payment has been established for them by the tax authorities prior to 1 January 1980, may consider as a provisional monthly payment that resulting from the division of the tax on commercial receipts paid during 1979 by the number of monthly declarations submitted that year. This amount of payment may be corrected by the tax authorities.

During 1980, the taxpayers cited in the foregoing paragraph and those whose payment has been set by the tax authorities will make their payments in the same terms in which they had been making those of the fixed amount; and they will only issue documents to meet tax administration requirements when so requested by the purchaser of the goods or the user of the service, retaining a copy thereof.

Fourth article. Any contracts which were concluded prior to 1 January 1980 for granting the temporary use or possession of real estate property must pay the tax starting on that date, considering 80 percent of the compensation as related to the structure and 20 percent to the land, with the

exception of those cited in Sections I, II and III of Article 20 of the law.

Fifth article. Any taxpayer who, after 1 January 1980, grants discounts or allowances, or to whom goods are returned, for which he paid the federal tax on commercial receipts, may submit a supplementary declaration on that tax, wherein he determines the balance in his favor, and may accredit it to the value added tax.

Sixth article. Any taxpayer who has purchased goods between 1 January and 31 December 1979 to be used to comprise his capital assets, in calculating the accreditation cited in the Fifth Temporary Article of the law, will accredit:

I. 50 percent of that tax, when the federal tax on mercantile receipts has been transferred to him expressly and separately from the value of the goods.

II. 1.9, 2.4, 4.5, 6.5 and 11.5 percent of that tax on the value of the goods purchased, which already includes the tax, depending on whether the rates of 4, 5, 10, 15 and 30 percent, respectively, are involved, when the federal tax on mercantile receipts has not been transferred to him expressly and separately from the value of the goods.

The accreditation cited in this article must be made during his first fiscal year, whether in the monthly declarations or in that for the fiscal year.

Issued at the residence of the Federal Executive Branch, in Mexico City, the Federal District, on 17 December 1979. Jose Lopez Portillo (official stamp). The Secretary of Finance and Public Credit, David Ibarra Munoz (official stamp).

(Published in the Official Gazette of 19 December 1979.)

Questions, Answers on VAT

Mexico City EL SOL DE MEXICO in Spanish 18 Dec 79, Sec A pp 8-9

[Text] Questions and Answers on the VAT

Are all products and services subject to the VAT?

No, the VAT is not paid on over 40 percent of the articles that we consume, as well as basic services. The Value Added Tax Law does not tax the following items and services, among others:

All non-processed foods: rice, corn, beans, wheat and other seeds for human nutrition; meat, fish and shellfish, poultry; fruit, legumes, green produce without exception; bread, tortillas, dough, cornmeal, wheat flour; milk and

eggs; sugar, brown sugar, unrefined sugar and salt; drinking water that is not carbonated or treated with compounds; books, magazines and newspapers.

Services, such as: education, the rental of dwelling houses; public performances with an entrance ticket; lottery tickets; raffles that are permitted; drawings. The sale or rental of equipment, machinery and certain services and items for agricultural-livestock production, for which the VAT benefits the farmer and the livestock raiser most especially, in order to increase the production of basic foodstuffs, which will reach the consumer virtually free from the VAT.

Moreover, in accordance with a presidential decree issued on 7 December 1979, it was deemed necessary to exempt several other products from the obligation to pay the VAT, in order to preclude a shortage of basic products. These items are:

I. Ships, machinery and equipment which may be used only for fishing operations.

II. Balanced diets for livestock and veterinary medicine products, as well as insecticides, herbicides and fungicides.

Will the VAT raise the prices of food?

No. Food prices depend on many factors. The Value Added Tax is a factor which has a positive effect on prices, because, when it goes into effect, 60 percent of foods will be subject to lower taxes than those paid with the Federal Tax on Commercial Receipts. If food prices depended solely on the VAT, they would definitely decline.

Will rents increase because of the VAT?

No. The payment of rent on dwelling houses is exempt from the VAT. In the case of the premises for commercial use, the payment of rent does, indeed, entail the Value Added Tax; but the latter is deducted when the tenant makes the monthly declaration; and so no one's income is affected.

Will the VAT be paid when fuel is purchased in January as well?

No. High-test and nova gasoline, diesel fuel, tractor fuel and light oil will not be subject to the VAT. Nor will gas for household use or charcoal.

Will the VAT increase manufacturers' production costs?

No. The Value Added Tax tends to reduce production costs, because it eliminates cascading taxes. Upon making sales, the manufacturer recovers all the IVA that he paid upon purchasing or receiving services. When his costs are freed of the Value Added Taxes, they logically decline.

Will the IVA increase the operating costs of merchants?

Merchants are in the same situation as manufacturers. If the fluctuations in their operating costs depended solely on the VAT, they would automatically decline.

Will the large taxpayers who have in stock products which they purchased in 1979, paying 4 percent, be charged 10 percent in addition to the previous 4?

No. To protect the public from this contingency, on 7 December 1979 a decree was published in the Official Gazette of the Federation, in which credit is granted on inventories to compensate business firms for the Federal Tax on Commercial Receipts incorporated into the prices of the goods which comprised their stocks as of 31 December 1979. The credit to be applied is 6 percent of the value of the inventory of taxed merchandise in the commercial sector, and 4 percent in the industrial sector, in accordance with the established procedure. This measure is particularly significant, because it is added to those adopted since 1978, and represents a real guarantee that the prices of products, after 1 January 1980, instead of rising on account of the tax, will remain stable, or possibly decline.

Will the VAT increase the maximum prices to the public of the products in most demand set by the Secretariat of Commerce?

No. So that none of the products with a maximum price to the public would be affected by a price hike, owing to the cascading prices that they might include, by virtue of a Federal Executive Decree, credit has been granted through special tax promotion certificates to producers of the following goods:

Chile peppers, fruits, vegetables and tomato puree preserved in a container of any kind; fats and oils of vegetable origin and of a nutritional type; soluble coffee; oats; and prepared foods for children; which will have a promotion certificate representing 2.5 percent of the sales price.

Ham, roasted and ground coffee, wheat flour broths and sardines preserved in a container of any kind, or in ice, will have a promotion certificate representing 3.5 percent of the sales price.

For this reason, the producers will be obliged more than ever before to abide by the maximum prices to the public set by the Secretariat of Commerce.

Then can it be claimed that the VAT will not increase prices in any instance?

No. There are instances wherein the VAT will raise the price, and this holds true in the case of the few products whose manufacturing and

marketing process takes place in only one or two phases; and in the case of certain services. However, when the services are rendered to the taxpayers, the tax may be accredited and, as a result, the effect of the increase is nil.

Can we trust that business owners will pass on to the consumer the benefit of their reduced costs?

Yes. Based on the principle that the elimination of the cumulative effect of the tax, the broad range of exemptions, the tax incentives for production of items of prime necessity and the allowance on merchandise in stock granted by the aforementioned presidential decree produce a logical, necessary effect of cutting the prices of goods.

Have any measures been taken to prevent an unwarranted increase in prices?

Yes. The federal government has adopted all possible measures, both legal and economic, to make the benefits of the Value Added Tax a reality starting on 1 January. We can say that the government has fulfilled its obligation completely, in preventing the transition from one tax to another from causing unwarranted price hikes.

To implement the law honestly, and to demand our rights, is a role incumbent on all Mexicans. The VAT will reflect us as we are.

2909

CSO: 3010

NETHERLANDS ANTILLES

DUTCH MINISTERS CAUSE STIR IN ANTILLES

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 10 Jan 80 pp 1,2

[Text] Willemstad, January 10--Prime Minister Don Martina of the Netherlands Antilles sought to calm a stir here yesterday caused by remarks by two Dutch ministers on the future status of the island of Aruba, our correspondent reports.

He declined to comment on a statement by Realm Affairs Minister Fons van der Stee that there is 'a great deal of truth in claims that an independent Aruba is not viable.'

Mr Van der Stee stirred feelings among separatist-minded Arubans even more by remarking that 'the world is not waiting for the addition of yet another small country.'

Earlier this week Dutch Foreign Minister Chris van der Klaauw did not go quite as far when he said in Caracas, Venezuela, that as Dutch Foreign Minister, and in close consultation with the Antilles Government, he took the unity of the Netherlands Antilles for granted.

'Not Consulted'

Mr Don Martina said at the time that Dr Van der Klaauw had not consulted his Government and Mr Van der Stee declared that Dr Van der Klaauw had 'definitely not echoed the standpoint of the Dutch Government.'

Asked whether Mr Van der Stee had consulted him in advance on his subsequent statements and whether they reflected the standpoint of the Netherlands Realm and the Antilles Governments, Mr Martina merely replied that he understood that Mr Van der Stee had spoken as 'a private individual and not as Minister for Antilles Affairs.'

Aruba is one of the three leeward islands of the six-island Netherlands Antilles. The 73-square-mile island lies off the coast of Venezuela and has a population of about 60,000. Its main industries are oil refining, shipping and tourism.

The Aruban MEP party has been striving for independence from the Central Antilles Government for years but now also forms part of Don Martina's coalition government.

Estrangement

Observers here noted that by opposing Dr Van der Klaauw's statement Mr Martina avoids estrangement between his MAN party and the Aruban MEP party. By not opposing Mr Van der Stee's remarks he does not hamper talks with the Minister for Antilles Affairs, with whom he has most of his contacts.

However, this has not prevented the MEP leader Betico Croes from expressing 'surprise' about Mr Van der Stee's remarks and from criticising him for cutting across the work of the official Realm Committee, which is preparing a report on the future of the Antilles.

Mr Croes said he would raise the issue with the Minister when Mr Van der Stee comes to Aruba tomorrow (Friday). Meanwhile, questions have been raised in Parliament here by the opposition which wants to know whether or not Dr Van der Klaauw consulted the Antilles Government in advance.

According to Mr J.A.O. Bikker, a member of the Democratic Party, Dr Van der Klaauw also stated that it is clear that Venezuela is opposed to establishment of a small independent island off its coast.

He wants to know whether Don Martina raised this question during his recent visit to Venezuela and if Don Martina can confirm that Venezuela is opposed to an independent Aruba.

CSO: 3120

NETHERLANDS ANTILLES

ARUBA DISAGREES WITH DUTCH PLAN

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 9 Jan 80 p 2

[Text] Oranjestad, Aruba, January 9--The separatist island of Aruba in the Netherlands Antilles yesterday strongly attacked Dutch proposals to leave the 1954 Realm Statute unchanged during the period of transition towards Antilles independence.

The Statute governs relations between the Netherlands and the six Caribbean islands which make up the Netherlands Antilles.

The proposal to leave the Statute unchanged was made by the Dutch delegation at a meeting of the Realm Working Group here yesterday.

This group, chaired by former Prime Minister Barend Biesheuvel, is preparing a report on how to update relations between the Netherlands and the Antilles as well as among the six islands themselves.

Mr Betico Croes, chairman of the Aruban delegation, told a press conference there had been some 'tough talking' at yesterday's meeting.

He said Aruba was opposed to being included in a federal framework with the other five islands and had called for amendment of the Statute on this point.

Aruban Memorandum

During a previous Working Group talks in The Hague the possibility of Statute changes during a transition period had been left open, he said.

A memorandum submitted by the Dutch delegation proposes that the Statute should be left unchanged, although a great deal of power was given to the separate islands. Mr Croes said this was not enough.

It was agreed during the meeting that Aruba should put its dissenting views on paper.

The Arubans are to present this document at the next meeting of the Realm Working Group to be held on the island of St Martin in April.

Mr Croes said the other five islands had reacted favourably to the Dutch proposal.

Commenting on Foreign Minister Chris van der Klaauw's controversial remark in Caracas that he assumed preservation of the unity of the Netherlands Antilles, Mr Croes said it could not under any circumstance be accepted that a Realm Minister ignored the programme of the Netherlands Antilles Government.

He noted that Antilles Affairs Minister Fons van der Stee had said he was all but happy with the statement, while Dr Van der Klaauw himself had toned it down.

CSO: 3120

CUBAN INFLUENCE IN ANTILLES QUESTIONED

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 10 Jan 80 pp 2,3

[Text] Willemstad, January 10--Prime Minister Don Martina of the Netherlands Antilles does not appear to share completely Venezuela's concern about Cuba's influence in the Caribbean area, our correspondent reports.

Cuban influence was one of the main subjects discussed during Foreign Minister Chris van der Klaauw's visit to Caracas last week.

Mr Martina was briefed on these talks by Dr Van der Klaauw this week. Speaking at the departure of the Dutch Minister for Holland, when asked whether he shared Venezuela's concern he said: 'We start from the assumption that Governments and peoples in the Caribbean area decide for themselves, and make full use of their right to self-determination.'

He said it was not up to the Antilles to make proposals to other countries as to the social, economic and political course they should pursue. 'We do not interfere in the domestic affairs of any country whatsoever,' he added. The Prime Minister studiously avoided using the words 'Cuban influence.'

'Wild West' Stories

Sources at the Premier's Foreign Relations Office described as 'wild west stories' articles in Venezuelan newspapers about alleged attempts by Cuba to gain influence in the Antilles.

They noted that visas were granted solely via the Dutch Embassy in Havana which passed on the applications to police authorities in Willemstad.

Access to the Antilles had been easier under the earlier left-wing Frente Obrero Government when Cubans could come to the Antilles on visas obtained by friends in the Antilles.

Diplomatic sources said that on average two visas a month were granted to representatives of state-owned companies who tried to market cement, sugar or textiles in the Antilles.

Cuban businessmen, sportsmen and tourists are free to visit the Antilles if they follow the procedure which applies to subjects of all Communist states.

Cuba has no consulate in the Antilles and has not sought permission to open one. Venezuela has consulates (general) on the islands of Curacao, Aruba and Bonaire and showed interest during Dr Van der Klaauw's visit last week in opening consulates on the islands of Saba, St Eustatius and St Martin.

Cuban Contacts

Cuban newspapers like the BEHEMIA and the party paper GRANMA are read in the Antilles only by people who follow developments in Cuba by virtue of their office.

News reports on Cuban affairs in the Antilles newspapers mostly comes from the Western news agencies and not from the Cuban PRENSA LATINA agency.

Cuban radio broadcasts are received in the Antilles and some of the successes of the Cuban revolution have made an impression on some groups of Antillians.

According to diplomats here there are few sports contacts between the Antilles and Cuba.

CSO: 3120

PARAGUAY

BRIEFS

AIRCRAFT ORDER NOTED--Under the terms of a contract amounting to 12 million dollars, Paraguay has ordered 12 EMB-326 Xavante ground attack aircraft (a version of the Macchi MB-326 produced under license in Brazil). Paraguayan personnel have already been trained in Brazil to fly this aircraft. [Text] [Paris LE MONITEUR DE L'AERONAUTIQUE in French Jan 80 p 11]

CSO: 3100

URUGUAY

QUEIROLO CALLS OAS CHARGES 'MARXIST PLOT'

Montevideo LA MANANA in Spanish 31 Oct 79 p 7

[Text] "The Marxist plot, already openly enthroned in international forums of debate, has stepped up the campaign to discredit us with the aid of the reprehensible silence of some and the systematic attack of others who, lacking credentials and even ideals, pretend to set themselves up as critics and accusers, even going so far as to try to dictate standards of conduct to us," Lt Gen Luis Queirolo stated in an obvious reference to the OAS Assembly.

These remarks were made by the commander in chief of the army during his speech yesterday afternoon to Battalion No 15 on the occasion of the presentation of national flags to the aforementioned unit.

Lt Gen Luis Queirolo also said that "it has always been a trait of the military institute, and particularly of the army and armed forces, to stand out in adverse circumstances, which apparently act to stimulate them, and that is why the nation has confidence in their moral and professional character and ability to overcome this situation and knows that its army, with the full support of its men, will not permit the defeat of principles which are the very essence of Uruguay."

He added that "we have previously traveled these paths in search of the security, peace and respect which we legitimately deserve as a sovereign nation."

New Challenge

The commander in chief of the army went on to say that "therefore, we do not doubt for a single instant that we will emerge triumphant and revitalized by this new challenge. The experience acquired today, by each and every one of us, will enable us to eliminate the mentality of opportunists, of those who do not love or long for this country, who have no desire for its prosperity, dreaming only of again plunging into chaos and anarchy the country which all of us swore to defend, even

at the cost of our lives, when we entered the National Army, in the presence of these flags which we present today to Infantry Battalion No 15 in this very moving ceremony."

The Ceremony

Besides the commander in chief of the National Army, other military officials were also present, including First Army Division Chief Gen Hugo Linares Brum and Army Joint Chief of Staff Gen Hugo Medina.

Following the presentation of national flags, there was a parade of the participating forces in the ceremony and military officials, headed by Lt Gen Luis Queirolo, reviewed the troops of the recently created Infantry Battalion No 15.

Visit to Colombia

The commander in chief of the army stated that the date has not yet been set for his departure for Colombia to participate in the Conference of American Armies, nor has the itinerary of his trip been determined. Asked about the reasons for the stop which he is to make in Rio de Janeiro as a preliminary contact, as stated in the government decision, Lt Gen Queirolo said that he had not yet decided whether he would travel by that route or via the Pacific.

As for a possible discussion of human rights during the Army Conference, he categorically dismissed such a possibility, indicating that this is strictly a political issue, whereas the conference will deal exclusively with technical military matters.

11915
CS0: 3010

URUGUAY

IDB LOAN SOUGHT FOR NATIONAL PROJECTS

Montevideo LA MANANA in Spanish 28 Oct 79 p 14

[Text] Uruguay will negotiate with the Inter-American Development Bank for loans totaling \$80 million to finance various projects of the UTE [General Administration of State Electric Power and Telephones], the University of the Republic, Montevideo Municipal Administration and Animal Health.

As we reported, an IDB mission will arrive in Montevideo shortly to determine the contributions to be made to our country for the 1980-82 period.

Representatives of the international organization will begin making their contacts tomorrow, when they are to meet with the secretary of planning, coordination and information, Brig Gen Jose Cardozo; the assistant secretary, Col (Ret) Luis W. Cicalese; and the interim minister of agriculture and fishing, Tydeo Larre Borges (junior).

According to information received by LA MANANA, in future years the IDB's contribution could make it possible to implement the projects for permanent disposal of Montevideo's sewage, reorganization of the University of the Republic, including the return of technical experts currently abroad, electric power lines and various projects of the Office of Animal Health.

IDB representatives will also hold separate talks with the ministers of economy and finance, transportation and public works, and industry and energy, the chairmen of the Central Bank, UTE, ANTEL [National Telecommunications Administration], INAPE [National Fishing Institute] and OSE [State Board of Sanitation], the mayor of Montevideo and the rector of the university.

In the various meetings, basically at the level of SEPLACODI [Planning, Coordination and Information Secretariat], the government will establish foreign financing priorities for the purpose of outlining future action which the IDB will take to support national development projects.

In carrying out its objectives, the mission will be advised by Eng Eduardo Barros, the bank's representative to the Uruguayan Government.

During this year, technical missions have come to Uruguay to analyze projects to be financed within the scope of the organizations listed above.

The most recent loan to Uruguay approved by the inter-American organization will be used to finance construction of highway approaches to Montevideo, signed in Washington several days ago by the minister of transportation and public works, Eng Eduardo Sampson.

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CSO: 3010

STATE COUNCIL APPROVES TAX REFORM BILL

Montevideo EL PAIS in Spanish 31 Oct 79 p 1

[Text] The Council of State approved the tax reform bill yesterday with one basic change providing for continuation of the tax exemption enjoyed by treasury bonds.

For 5 1/2 hours, the council discussed various aspects of the reform in the presence of the minister of economy and finance, Acct Valentin Arismendi, the general director of revenue, Acct Raul Xavier, and advisers.

One of the most important amendments to the bill was the decision to retain current Article 104 of Section 33 of the 1976 law.

The proposed repeal of the aforementioned provisions, which would have meant eliminating the tax exemption for treasury bonds, was criticized by Councilor Dr Rodriguez Larreta, who maintained that it would take away a fundamental appeal of such bonds for savers and investors.

The Council of State approved continuation of the tax exemption for treasury bonds. Removal of the exemption will apply only to companies subject to industrial and commercial income tax.

The rest of the bill, except for a minor change, was approved in accordance with the Economy and Finance Commission's report.

Individuals

Following the meeting of the Council of State, Minister Arismendi spoke with reporters about the main issues.

Asked about the decisions adopted in regard to public securities, he said: "That was one of the changes. The decision was made, on the basis of the text submitted by the director of revenue, Accountant Xavier, that public securities will remain as they are for the time being. With regard to treasury bonds, their sale will be taxed by the industrial and commercial income tax only in the case of persons subject to that tax. This means that individuals holding bonds are not taxed at all. It was basically brought out that the act of taxing the sales of bonds in the aforementioned

case of persons subject to industrial and commercial income tax does not result in a loss, since there is an offsetting effect in making the adjustment for inflation. Those bonds are included as assets and in making the adjustment for inflation, there is no doubt that the taxpayer's loss will be offset. This is a technical problem that is very difficult to explain, but it has an offsetting effect and is not an act which further taxes the holder of treasury bonds."

Concerning the proposed exemption of the VAT [value-added tax] for certain household categories, Accountant Arismendi maintained that "it was not carried for technical and political reasons. One thing that is well understood is that in the liberal policy which we are following, the act of reducing or eliminating the VAT on any type of goods does not necessarily mean that it will be passed on to the consumer, but that the supplier may increase his margin of profit with that tax and the intended goal will not be achieved."

He added that "the other factor is that this loss of tax revenue, which is approximately 175 million pesos, represents a considerable, although not excessive, figure for the government. For consumers, it does not mean any more than 3.45 pesos. I believe that it is not too sound to consider an exemption of that type, which would create problems concerning the collection of the VAT."

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CSO: 3010

URUGUAY

WAGE INCREASE BECOMES EFFECTIVE NOVEMBER

Montevideo EL PAIS in Spanish 31 Oct 79 p 1

[Text] A 15-percent wage increase effective 1 November for the public and private sectors, as well as a 15-percent increase due to reevaluation, to be paid beginning 1 December to pensioners, were approved yesterday by the president of the republic and the Council of Commanders in Chief of the Armed Forces.

The decision was also made to set the national minimum wage at 873.50 pesos, thus confirming LA MANANA's earlier report that a new wage adjustment would be decided sometime this week.

The decision was made yesterday morning following the regular meeting of the president of the republic and the members of the Council of Commanders in Chief of the Armed Forces in the government palace, with the minister of economy and finance also attending the proceedings.

Insofar as the decision affects public officials, it should be noted that the official communique released late yesterday states that the current policy of equal pay for equal work will be maintained.

Increase in Pensions

In accordance with Article 73 of Constitutional Decree No 9 approved last week, the decision was also made in the meeting to increase pensions 15 percent beginning 1 December, in advance of the annual readjustment scheduled for April 1980.

As the minister of labor and social welfare himself announced recently, an increase in the national minimum wage will also automatically change the maximum pension limit, which will now be set at 4,367.50 pesos, inasmuch as it is comprised of five times the national minimum wage. Thus it has increased substantially, considering that it was previously set at 3,800.00 pesos.

Wage Decontrol

This wage increase decided yesterday, the fourth such increase in 1979, could be the last officially set for the private sector. In this regard, high national officials recently stated that one of the goals of current economic policy is to manage to decontrol wages in the near future, considering the current conditions of the labor market in our country.

Now all that remains is the possible restoration of trade union activity, which could begin to take shape once the trade union bill is approved, now under analysis at the highest government level.

In summing up this matter, it cannot be ruled out that this is one of the last, or the last, officially established wage increases for the private sector.

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CS0: 3010

BENDAHAN ON CONTINUOUS ARMED FORCES ROLE IN STATE AFFAIRS

Montevideo EL DIA in Spanish 27 Dec 79 p 9

[Press conference granted by LtGen Raul Bendahan, Uruguayan Air Force, Commander in Chief of the Air Force, on 26 December 1979, at Air Force Headquarters, Boiso Lanza]

[Text] "The Armed Forces believe that there is a group of persons whose proscription it is not advisable to remove," LtGen Raul Bendahan, Uruguayan Air Force, Commander in Chief of the Air Force, stated yesterday in a press conference. The high-level military officer answered nine questions submitted covering various topics, primarily political, in Boiso Lanza, where the Air Force command has its headquarters. "Everything that the government does is political," he said in one part of the meeting.

The following is a reproduction of the questions asked and the corresponding answers:

[Question] Are the actions being taken at present by the government in its relationship with the people political in content?

[Answer] The action, the manner of governing and of issuing all those rules or laws or provisions for the purpose of administering a state well and of achieving by those means the desired objective, that is to say general welfare, is political. Therefore, everything that the government does is political.

[Question] Is the fact that, at present, young persons are unconcerned about politics and topics of far-reaching importance to the nation like the Constitution, political parties and elections, a negative factor for the country?

[Answer] Let us break up the question a little. You tell me that young persons are unconcerned. Well, I should say that a concern for the country's politics is a very wide range of things. It is not merely a concern

with acting in political parties. It is a concern for the progress of the whole country. Any deed, any action, any kind of preparation for better administration is a political concern. At present, young persons are being concerned with politics. When they study, attend classes, train physically, acquire an awareness of international and national events, increase their equipment of knowledge and of intellectual training, they are engaging in politics. But we must also realize one thing: that politics requires two stages, preparation and action. We cannot reverse the order. In order to engage in politics, training is needed and all those things that I have just listed are required for training. That is to say that of course our young persons are engaging in politics in their training for active, effective politics in which they will have to engage in the second stage. Undoubtedly, they are the ones who are going to replace us in the present government posts. They are training for that.

[Question] How would you describe 1980 from the political or constitutional point of view?

[Answer] I should say that, in accordance with the political plan that has been set up, 1980 is the legal-constitutional year. It is the year in which guidelines are scheduled to be submitted to the Council of State so that the council may prepare the draft constitution, which will probably subsequently be studied by the Council of the Nation jointly with the executive forming a constituent body so to speak, so that later it may be ratified by popular vote. That is to say that this is the legal-constitutional year that has marked this process.

[Question] Is it advisable to initiate a political opening in 1980?

[Answer] Well, in accordance with what I have just said, it is not advisable. It is a year in which much work has to be done for development and in which the government authorities are going to concern themselves with the political part.

[Question] Several sectors of the people have maintained that it is necessary shortly to remove the political proscriptions of several important figures. Are you in favor of that kind of step?

[Answer] The pertinent Institutional Act has already specified the rules for that and the cognizant committee is enabled to lift the deprivation of political rights from persons, if it regards it as advisable. Yes, it is true that the Armed Forces have believed or believe that there is a group of persons from whom it is not advisable to remove that prohibition, owing to their previous political behavior.

[Question] Will the Armed Forces participate in the next governments?

[Answer] The state's government authority is made up of a number of institutions and bodies. The Armed Forces are an important institution or body in the state. Therefore, they cannot be deprived of that participation

in what is incumbent on them and in what is specified. The Constitution that governed us and that governs us has not proscribed, has never proscribed, participation by the Armed Forces in what is incumbent on them to take part in decisions or in advising on decisions of the state. Simply, formerly, because of problems of internal policy of the political parties or because of problems of interests, the Armed Forces were left out of any participation in more or less important problems. Therefore, in this new constitution that will be drawn up, the role of the Armed Forces with regard to participation in decisions incumbent on the executive branch is going to be copied down. Perhaps somewhere it will be printed or written more precisely. It will be stated that the Armed Forces have some kind of participation, so that this will have no special connotation, but rather so that it will be a normal occurrence in the country's life.

[Question] What is your evaluation of how the year has been for the country and what prospects do you envision for the coming year with reference to the government's political and economic plans?

[Answer] I shall mention two most important aspects to evaluate 1979. They are the economic aspect and the social aspect. In the economic aspect, you who follow, like every informed citizen, the problems facing the country and the world, know how difficult it has been to manage the economy this year. Difficult, because we have no market of our own. I might say that there are two kinds of countries. I would call them countries with a market and countries without a market. Unfortunately, we are a country without a market. Countries that have a market protect themselves perfectly from all the economic and financial vicissitudes that take place in the world. They create conditions for buying and selling. They impose conditions for buying and also for selling on countries like us that have no market.

As you know, under those conditions it is very difficult. I shall give you only one example, oil. You are aware of the difficulties that we have had, are having and shall continue to have, because we are not on the market, we have no means of protection on the market. There no longer are contracts. Rather, contracts are now called consent contracts without negotiation. You show the contract and you buy or do not buy. They tell you yes or no, but you have no discussion alternative and can stipulate no condition, either of payment or of transportation. What is true of oil is true of almost every other item. We have no influence at all in what is most important to us: meat, wool, hides, fish. We sell where we can and they usually buy from us under conditions set by them.

This means that under those market conditions, managing an economy is very difficult, completely difficult. Until we make a regional or subregional market, we are going to continue along that line of having to tolerate what is imposed on us to subsist, both in buying and in selling. I predict that in this coming year of 1980, the South American countries, the Latin American countries will become really aware of this problem and do

everything possible to create a market. With our market we shall be able, I do not say to impose conditions, but at least to discuss conditions when we go to buy or sell. Within that international trade framework, our situation has been what you surmise from all this that I have just stated. In spite of that, I am not going to say that we came out successfully, because we have had an inflation that got a bit out of hand, but we have had a fiscal year without a deficit. We have had a balance of payments that surely is not going to be unfavorable. We have had an increase in the gross domestic product on the order of 6 to 8 percent, which is very sizable. We have had almost total employment, which is a sign of prosperity. We have had large investments within the country. It might almost be said that Montevideo has again become a financial center. Therefore, the balance is positive. I believe that it is positive.

[Question] What is the present status of Air Force equipment?

[Answer] At present, we have several programs under study. Perhaps the one to which we are giving priority is the air traffic control program in this country. In other words, modernization, updating with the most modern means possible air traffic control facilities in Uruguay. I might almost say that we are lagging far behind what it should be. Primarily financial reasons have led us to this, but we shall solve that problem during 1980. This will result in a great saving and in greater safety in carrying out air traffic. Well-managed traffic presupposes that an aircraft will fly in the shortest possible time to make its landing. And that implies a great saving in fuel and also great safety in operation.

In another order of matters and with regard to the air infrastructure, this year we achieved a few aspirations. The Rivera Air Station was opened. The Carrasco Airport was remodeled extensively. Plans have been completed for a remodeling that will put that airport in normal conditions until 1990. Steps have already been taken for planning the airport that I think will be completed by that date. Plans for the Punta del Este Airport have been completed. The air freight terminal was also opened in Carrasco. This was an important need. Several facilities have been installed that improve present safety in air navigation over what it was in former years.

[Question] Statements made in the last few days are in agreement to the effect that Uruguay's future politics will be government by democracy. According to the academic definition, democracy is characterized by giving the people the right to shape political will. It adds that the traditional principles of the democratic system are recognition of inviolable individual rights, equality of all before the law, equal opportunity for public posts and freedom to nominate candidates and establish political parties. General, in view of this definition, when do you believe that democracy will definitely return to Uruguay, that is to say, without proscriptions and will full enjoyment of all rights,

[Answer] Everything lies in what is understood by democracy. We have already defined and this process has defined its feeling toward democracy. You also talk to me about proscriptions. I believe that there is a place for proscriptions also within a democracy. Democracies have to defend themselves, in order to be able to subsist. They must have defense mechanisms, systems. Among those defense mechanisms, of course, there must be mechanisms that enable the democratic system to preserve itself from political individuals -- let us say -- who err by attacking the very essence of democracy.

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